JS 44 (Rev. 07/16)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. *(SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)*

I. (a) PLAINTIFFS
SHAWNEE TABERNACLE CHURCH AND AZ LEARNING DAY CARE

DEFENDANTS
GUIDEONE INSURANCE

(b) County of Residence of First Listed Plaintiff MONROE, PA
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant POLK, IOWA
(IN U.S. PLAINTIFF CASES ONLY)
NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

(c) Attorneys *(Firm Name, Address, and Telephone Number)*
WILLIAM P. FEDULLO, ESQUIRE

Attorneys *(If Known)*

II. BASIS OF JURISDICTION *(Place an "X" in One Box Only)*

☐ 1 U.S. Government Plaintiff
☐ 3 Federal Question *(U.S. Government Not a Party)*
☐ 2 U.S. Government Defendant
☒ 4 Diversity *(Indicate Citizenship of Parties in Item III)*

III. CITIZENSHIP OF PRINCIPAL PARTIES *(Place an "X" in One Box for Plaintiff and One Box for Defendant)*
(For Diversity Cases Only)

	PTF	DEF		PTF	DEF
Citizen of This State	☒ 1	☐ 1	Incorporated *or* Principal Place of Business In This State	☐ 4	☐ 4
Citizen of Another State	☐ 2	☐ 2	Incorporated *and* Principal Place of Business In Another State	☐ 5	☒ 5
Citizen or Subject of a Foreign Country	☐ 3	☐ 3	Foreign Nation	☐ 6	☐ 6

IV. NATURE OF SUIT *(Place an "X" in One Box Only)*

CONTRACT
☒ 110 Insurance
☐ 120 Marine
☐ 130 Miller Act
☐ 140 Negotiable Instrument
☐ 150 Recovery of Overpayment & Enforcement of Judgment
☐ 151 Medicare Act
☐ 152 Recovery of Defaulted Student Loans (Excludes Veterans)
☐ 153 Recovery of Overpayment of Veteran's Benefits
☐ 160 Stockholders' Suits
☐ 190 Other Contract
☐ 195 Contract Product Liability
☐ 196 Franchise

TORTS

PERSONAL INJURY
☐ 310 Airplane
☐ 315 Airplane Product Liability
☐ 320 Assault, Libel & Slander
☐ 330 Federal Employers' Liability
☐ 340 Marine
☐ 345 Marine Product Liability
☐ 350 Motor Vehicle
☐ 355 Motor Vehicle Product Liability
☐ 360 Other Personal Injury
☐ 362 Personal Injury - Medical Malpractice

PERSONAL INJURY
☐ 365 Personal Injury - Product Liability
☐ 367 Health Care/ Pharmaceutical Personal Injury Product Liability
☐ 368 Asbestos Personal Injury Product Liability

PERSONAL PROPERTY
☐ 370 Other Fraud
☐ 371 Truth in Lending
☐ 380 Other Personal Property Damage
☐ 385 Property Damage Product Liability

FORFEITURE/PENALTY
☐ 625 Drug Related Seizure of Property 21 USC 881
☐ 690 Other

BANKRUPTCY
☐ 422 Appeal 28 USC 158
☐ 423 Withdrawal 28 USC 157

PROPERTY RIGHTS
☐ 820 Copyrights
☐ 830 Patent
☐ 840 Trademark

OTHER STATUTES
☐ 375 False Claims Act
☐ 376 Qui Tam (31 USC 3729(a))
☐ 400 State Reapportionment
☐ 410 Antitrust
☐ 430 Banks and Banking
☐ 450 Commerce
☐ 460 Deportation
☐ 470 Racketeer Influenced and Corrupt Organizations
☐ 480 Consumer Credit
☐ 490 Cable/Sat TV
☐ 850 Securities/Commodities/ Exchange
☐ 890 Other Statutory Actions
☐ 891 Agricultural Acts
☐ 893 Environmental Matters
☐ 895 Freedom of Information Act
☐ 896 Arbitration
☐ 899 Administrative Procedure Act/Review or Appeal of Agency Decision
☐ 950 Constitutionality of State Statutes

LABOR
☐ 710 Fair Labor Standards Act
☐ 720 Labor/Management Relations
☐ 740 Railway Labor Act
☐ 751 Family and Medical Leave Act
☐ 790 Other Labor Litigation
☐ 791 Employee Retirement Income Security Act

SOCIAL SECURITY
☐ 861 HIA (1395ff)
☐ 862 Black Lung (923)
☐ 863 DIWC/DIWW (405(g))
☐ 864 SSID Title XVI
☐ 865 RSI (405(g))

REAL PROPERTY
☐ 210 Land Condemnation
☐ 220 Foreclosure
☐ 230 Rent Lease & Ejectment
☐ 240 Torts to Land
☐ 245 Tort Product Liability
☐ 290 All Other Real Property

CIVIL RIGHTS
☐ 440 Other Civil Rights
☐ 441 Voting
☐ 442 Employment
☐ 443 Housing/ Accommodations
☐ 445 Amer. w/Disabilities - Employment
☐ 446 Amer. w/Disabilities - Other
☐ 448 Education

PRISONER PETITIONS
Habeas Corpus:
☐ 463 Alien Detainee
☐ 510 Motions to Vacate Sentence
☐ 530 General
☐ 535 Death Penalty
Other:
☐ 540 Mandamus & Other
☐ 550 Civil Rights
☐ 555 Prison Condition
☐ 560 Civil Detainee - Conditions of Confinement

IMMIGRATION
☐ 462 Naturalization Application
☐ 465 Other Immigration Actions

FEDERAL TAX SUITS
☐ 870 Taxes (U.S. Plaintiff or Defendant)
☐ 871 IRS—Third Party 26 USC 7609

V. ORIGIN *(Place an "X" in One Box Only)*

☒ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from Another District *(specify)*
☐ 6 Multidistrict Litigation - Transfer
☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION
Cite the U.S. Civil Statute under which you are filing ***(Do not cite jurisdictional statutes unless diversity)***:
28 USC SS1332
Brief description of cause:
INSURANCE - BAD FAITH.

VII. REQUESTED IN COMPLAINT:
☐ CHECK IF THIS IS A **CLASS ACTION** UNDER RULE 23, F.R.Cv.P.
DEMAND $
CHECK YES only if demanded in complaint:
JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY *(See instructions):*
JUDGE
DOCKET NUMBER

DATE 11/3/2016
SIGNATURE OF ATTORNEY OF RECORD [signature]

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar.

Address of Plaintiff: 1110 CARRIAGE LANE, TOBYHANNA, PA 18466-8278

Address of Defendant: 1111 ASHWORTH ROAD, WEST DES MOINES, IOWA 50265-3538

Place of Accident, Incident or Transaction: 1110 CARRIAGE LANE, TOBYHANNA, PA 18466-8278

(*Use Reverse Side For Additional Space*)

Does this civil action involve a nongovernmental corporate party with any parent corporation and any publicly held corporation owning 10% or more of its stock?
(Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a)) Yes☐ No☒

Does this case involve multidistrict litigation possibilities? Yes☐ No☒

RELATED CASE, IF ANY:

Case Number: ________ Judge ________ Date Terminated: ________

Civil cases are deemed related when yes is answered to any of the following questions:

1. Is this case related to property included in an earlier numbered suit pending or within one year previously terminated action in this court?
Yes☐ No☒
2. Does this case involve the same issue of fact or grow out of the same transaction as a prior suit pending or within one year previously terminated action in this court?
Yes☐ No☒
3. Does this case involve the validity or infringement of a patent already in suit or any earlier numbered case pending or within one year previously terminated action in this court? Yes☐ No☒
4. Is this case a second or successive habeas corpus, social security appeal, or pro se civil rights case filed by the same individual?
Yes☐ No☒

CIVIL: (Place ✔ in ONE CATEGORY ONLY)

A. *Federal Question Cases*:

1. ☐ Indemnity Contract, Marine Contract, and All Other Contracts
2. ☐ FELA
3. ☐ Jones Act-Personal Injury
4. ☐ Antitrust
5. ☐ Patent
6. ☐ Labor-Management Relations
7. ☐ Civil Rights
8. ☐ Habeas Corpus
9. ☐ Securities Act(s) Cases
10. ☐ Social Security Review Cases
11. ☐ All other Federal Question Cases
(Please specify) ________

B. *Diversity Jurisdiction Cases*:

1. ☒ Insurance Contract and Other Contracts
2. ☐ Airplane Personal Injury
3. ☐ Assault, Defamation
4. ☐ Marine Personal Injury
5. ☐ Motor Vehicle Personal Injury
6. ☐ Other Personal Injury (Please specify)
7. ☐ Products Liability
8. ☐ Products Liability — Asbestos
9. ☐ All other Diversity Cases
(Please specify) ________

ARBITRATION CERTIFICATION

(*Check Appropriate Category*)

I, WILLIAM P. FEDULLO, counsel of record do hereby certify:

☒ Pursuant to Local Civil Rule 53.2, Section 3(c)(2), that to the best of my knowledge and belief, the damages recoverable in this civil action case exceed the sum of $150,000.00 exclusive of interest and costs;

☐ Relief other than monetary damages is sought.

DATE: 11/3/2016 [signature] WILLIAM P. FEDULLO — Attorney-at-Law — 23681 Attorney I.D.#

NOTE: A trial de novo will be a trial by jury only if there has been compliance with F.R.C.P. 38.

I certify that, to my knowledge, the within case is not related to any case now pending or within one year previously terminated action in this court except as noted above.

DATE: 11/3/2016 [signature] WILLIAM P. FEDULLO — Attorney-at-Law — 23681 Attorney I.D.#

CIV. 609 (5/2012)

UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar.

Address of Plaintiff: 1110 CARRIAGE LANE, TOBYHANNA, PA 18466-8278

Address of Defendant: 1111 ASHWORTH ROAD, WEST DES MOINES, IOWA 50265-3538

Place of Accident, Incident or Transaction: 1110 CARRIAGE LANE, TOBYHANNA, PA 18466-8278
(Use Reverse Side For Additional Space)

Does this civil action involve a nongovernmental corporate party with any parent corporation and any publicly held corporation owning 10% or more of its stock?
(Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a)) Yes☐ No☒

Does this case involve multidistrict litigation possibilities? Yes☐ No☒

RELATED CASE, IF ANY:
Case Number: ______ Judge ______ Date Terminated: ______

Civil cases are deemed related when yes is answered to any of the following questions:

1. Is this case related to property included in an earlier numbered suit pending or within one year previously terminated action in this court?
Yes☐ No☒
2. Does this case involve the same issue of fact or grow out of the same transaction as a prior suit pending or within one year previously terminated action in this court?
Yes☐ No☒
3. Does this case involve the validity or infringement of a patent already in suit or any earlier numbered case pending or within one year previously terminated action in this court? Yes☐ No☒
4. Is this case a second or successive habeas corpus, social security appeal, or pro se civil rights case filed by the same individual?
Yes☐ No☒

CIVIL: (Place ✔ in ONE CATEGORY ONLY)

A. *Federal Question Cases:*
1. ☐ Indemnity Contract, Marine Contract, and All Other Contracts
2. ☐ FELA
3. ☐ Jones Act-Personal Injury
4. ☐ Antitrust
5. ☐ Patent
6. ☐ Labor-Management Relations
7. ☐ Civil Rights
8. ☐ Habeas Corpus
9. ☐ Securities Act(s) Cases
10. ☐ Social Security Review Cases
11. ☐ All other Federal Question Cases
(Please specify) ______

B. *Diversity Jurisdiction Cases:*
1. ☒ Insurance Contract and Other Contracts
2. ☐ Airplane Personal Injury
3. ☐ Assault, Defamation
4. ☐ Marine Personal Injury
5. ☐ Motor Vehicle Personal Injury
6. ☐ Other Personal Injury (Please specify)
7. ☐ Products Liability
8. ☐ Products Liability — Asbestos
9. ☐ All other Diversity Cases
(Please specify) ______

ARBITRATION CERTIFICATION

(Check Appropriate Category)

I, WILLIAM P. FEDULLO, counsel of record do hereby certify:

☒ Pursuant to Local Civil Rule 53.2, Section 3(c)(2), that to the best of my knowledge and belief, the damages recoverable in this civil action case exceed the sum of $150,000.00 exclusive of interest and costs;

☐ Relief other than monetary damages is sought.

DATE: 11/3/2016 WILLIAM P. FEDULLO 23681
Attorney-at-Law Attorney I.D.#

NOTE: A trial de novo will be a trial by jury only if there has been compliance with F.R.C.P. 38.

I certify that, to my knowledge, the within case is not related to any case now pending or within one year previously terminated action in this court except as noted above.

DATE: 11/3/2016 WILLIAM P. FEDULLO 23681
Attorney-at-Law Attorney I.D.#

CIV. 609 (5/2012)

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

CASE MANAGEMENT TRACK DESIGNATION FORM

SHAWNEE TABERNACLE CHURCH AND AZ LEARNING DAY CARE VS. GUIDEONE INSURANCE	: : : : :	CIVIL ACTION JURY TRIAL DEMANDED NO.

In accordance with the Civil Justice Expense and Delay Reduction Plan of this court, counsel for plaintiff shall complete a Case Management Track Designation Form in all civil cases at the time of filing the complaint and serve a copy on all defendants. (See § 1:03 of the plan set forth on the reverse side of this form.) In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a Case Management Track Designation Form specifying the track to which that defendant believes the case should be assigned.

SELECT ONE OF THE FOLLOWING CASE MANAGEMENT TRACKS:

(a) Habeas Corpus – Cases brought under 28 U.S.C. § 2241 through § 2255. ( )

(b) Social Security – Cases requesting review of a decision of the Secretary of Health and Human Services denying plaintiff Social Security Benefits. ( )

(c) Arbitration – Cases required to be designated for arbitration under Local Civil Rule 53.2. ( )

(d) Asbestos – Cases involving claims for personal injury or property damage from exposure to asbestos. ( )

(e) Special Management – Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases.) ( )

(f) Standard Management – Cases that do not fall into any one of the other tracks. (xx)

11/3/2016	WILLIAM P. FEDULLO	SHAWNEE TABERNACLE CHURCH & ~~AZ LEARNING DAY CARE~~
Date	**Attorney-at-law**	**Attorney for** PLAINTIFFS
(215) 235-6500 Ex. 222	(215) 546-1012	williamfedullo@gmail.com
Telephone	**FAX Number**	**E-Mail Address**

(Civ. 660) 10/02

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

SHAWNEE TABERNACLE CHURCH	:	**JURY TRIAL DEMAND**
1110 CARRIAGE LANE	:	
TOBYHANNA, PA 18466-8278	:	
AND	:	
AZ LEARNING DAY CARE	:	
1110 CARRIAGE LANE	:	
TOBYHANNA, PA 18466-8278	:	
VS.	:	
GUIDEONE INSURANCE	:	
1111 ASHWORTH ROAD	:	
WEST DES MOINES, IA 50265-3538	:	**NO.**

CIVIL ACTION - COMPLAINT

1.) Shawnee Tabernacle Church is a congregation that currently worships at and formerly owned the building located at 1110 Carriage Lane, Tobyhanna, PA 18466-8278. Shawnee Tabernacle Church was insured by a policy issued by Defendant GuideOne Insurance.

2.) AZ Learning Day Care is associated with Shawnee Tabernacle Church and at all times relevant provided day care at 1110 Carriage Lane, Tobyhanna, PA 18466-8278. AZ Learning Day Care is also an insured under the policy.

3.) Defendant, GuideOne Insurance, is upon information and belief a corporation duly organized and existing under and by virtue of the laws of the State of Iowa with its main office being 1111 Ashworth Road, West Des Moines, Iowa 50265 which does business in the Commonwealth of Pennsylvania and advertises itself as specializing in insurance for churches and congregations. At all times relevant, Defendant regularly conducted insurance business within Pennsylvania. GuideOne advertises that "Our Goal is to provide you with peace of mind while you follow your purpose."

3.A.) This Court has jurisdiction of this matter by virtue of the Diverse Citizenship of the parties and that the amount in controversy exceeds $75,000.00 pursuant to 28 U.S.C. SS1332.

4.) At all times relevant, Defendant acted or failed to act through its authorized agents, servants and/or employees acting on its business and within the scope and course of their authority.

5.) At all times relevant hereto, Plaintiffs maintained a policy of insurance, Policy No. 1294-392 (a true and correct copy of the policy is attached as Exhibit "A"), which provided insurance for the church's building and property. The policy is dated 11/11/2014 and the premium for the policy was $19,691.00 and the insurance policy covered the building for damage in the amount of $5,191,000.00 and personal property loss in the amount of $934,300.00.

6.) This policy was similar to and a continuation of the previous policies that Shawnee had over the years with GuideOne and which Shawnee unfailingly paid their policy requirements.

7.) The policy contained several provisions which are pertinent to this matter;

The obligations of the insurance company include the obligation "Pay the value of lost or damaged property.

A.) We will determine the value of lost or damaged property...

B.) We will pay for covered loss or damage within 30 days after we receive proof of loss (Page 21 of 30).

8.) The policy also contains a portion entitled "Pennsylvania changes" that read in pertinent part "Notice of Acceptance or Denial of Claim" "Except as provided in 3 below, we will give you notice, within 15 working days after we receive a properly executed

Proof of Loss that we:

A.) Accept your claim.
B.) Deny your claim; or
C.) Need more time to determine whether claim should be accepted or denied.

If we deny your claim such notice will be in writing and we will state any policy provision, condition or exclusion used as a basis of denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason why more time is required.

2.) If we have not completed our investigation, we will notify you again in writing, within 30 days after the initial notice as provided in i.e., above and thereafter every 45 days. The written notice will state why more time is needed to investigate your claim and when you may expect us to reach a decision on your claim.

3.) The notice procedures in 1 and 2 above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity: under such circumstances, we will notify you of the disposition of your claim within a period of time reasonable to allow full investigation of your claim, after we receive a properly executed Proof of Loss."

9.) On January 13, 2015, Shawnee Tabernacle Church and AZ Day Care Center suffered a massive water leak that caused a great amount of damage to the property. The Officials of Shawnee Tabernacle Church, within 24 hours of the massive damage, contacted the agent of GuideOne Insurance to report the damage as per the provisions of the policy.

10.) On or about January 15, 2015, GuideOne by its agents, Brian Baskin, Engineer Bob Malinga and other contractors appeared at Shawnee Tabernacle Church to investigate the damage and the cause of the damage. During that time, Mr. Baskin told the Church officials that since the contractors had estimated the damages to be so high, he was reserving the right of the insurance company to not make any payments until they further investigated the cause of the incident. Mr. Baskin also stated to the Church officials at a second meeting that an attorney for the insurance company had been notified, and an engineer would be sent to determine the cause. Baskin apparently left the premises and Engineer, Bob Malinga showed up and after investigation stated to Church officials that the damage was caused by a defective installation of the pipe (and therefore the Church would be covered.)

11.) On January 15, 2015, GuideOne Insurance sent a Reservation of Rights letter to Shawnee Tabernacle Church and AZ Day Care Center.

12.) John Femia an Agent hired by GuideOne Insurance, after his investigation told Church officials that Baskin and the contractors estimated damage at $1.8 Million Dollars.

13.) Later Mr. Baskin again appeared, (apparently not knowing what Engineer Bob Malinga told Church officials.) Baskin then changed his approach as to why he was not going to order the repair work and he then told the Church officials that GuideOne was now not going to pay upon further investigation because now GuideOne's excuse was the building was vacant and that the insurance company does not cover damage when there is a vacancy. Baskin told the Church officials that he would hold off paying any contractor bills that would be needed to clean up the mess and restore the building and that he had the right to put off payment for 60 to 90 days pending investigation.

14.) On February 2, 2015, John Femia, an Investigator whose company GUS Investigators was hired by Brian Baskin of GuideOne Insurance spoke with Reverend Dennis Bloom of Shawnee Tabernacle Church . Mr. Femia confirmed to Reverend Bloom that GuideOne had informed him that the damage totaled $1.8 Million. At this point GuideOne knew the "Value of lost or damaged property" under the policy.

15.) On March 4, 2015 Shawnee Tabernacle Church's Attorney, Marshall Anders sent a letter to Brian Baskin of GuideOne Insurance that indicated that although the representatives of GuideOne established the loss with the value between $1.8 Million and $2 Million, the Church would be able to fix the damage for the amount of $400,000 and therefore indicated that his client would accept $400,000 in full and final satisfaction of claim. (See Exhibit "B" - Marshall Anders, Esquire's letter of March 4, 2015.)

16.) From the meeting of January 15, 2015 until March 3, 2015, GuideOne Insurance did nothing. On March 3, 2015, Brian Baskin sent a letter to Shawnee's Attorney, Marshall Anders, which was received on March 10, 2015. Mr. Baskin's letter contained requests related to the use of the gym and school which seemed to be designed to give GuideOne an excuse to avoid payment.

17.) On March 13, 2015, Marshall Anders, Esquire sent a 3 page letter to Brian Baskin of GuideOne. The letter painstakingly answered all the questions of the GuideOne letter of March 3, 2015 and warned GuideOne that the actions they were taking had the intent of establishing there would be no insurance coverage and that GuideOne's actions would lead to litigation including a claim for Bad Faith. Mr. Anders commented: "You(r) job as an adjuster is to adjust the loss of the Church, not to attempt to find ways for GuideOne to avoid paying a legitimate claim; (See Exhibit "C", letter of March 13, 2015 of Marshall Anders, Esquire to Brian Baskin.)

18.) GuideOne by Brian Baskin did not reply to Mr. Anders' letter until their April 14, 2015 letter which was not received by Mr. Anders' office until April 20, 2015. Mr. Anders had requested the report of GuideOne's Engineer, Bob Malinga. Tellingly, instead of simply living up to the provisions of the contract and providing the Engineer's Report, Mr. Baskin replied "You have requested the report from Mr. Malinga regarding his findings concerning the water damage. Our Subrogation Department requested Mr. Malinga to maintain his information, however, to hold his report until the concerns of the policy provisions can be investigated. We have received a verbal communication that the installation company was Apex."

The Baskin letter concludes "Thank you again for your correspondence and at the conclusion of our review we will let you know our finding." (It is important to point out that the findings of Engineer, Bob Malinga were already in GuideOne's possession but they refused to share this information and they also refused to share the information of the estimate of damage of $1.8 Million.) Exhibit "D" - Brian Baskin's letter of April 14, 2015.

19.) On May 28, 2015, Attorney Dave Delaney, in-house counsel for GuideOne Insurance sent Notice of Deposition to several officials of Shawnee Tabernacle Church and A-Z Learning Day Care; those officials included: Reverend Dennis Bloom, Luddie Chatt, Georgette Simmons, Charity Cortes and Tanya Crutchfield. Those letters (which are contained in Exhibit "E") are almost identical in content except for addresses. The Depositions were scheduled for June 12, 2015 at Marshall Anders, Esquire's office. The letter requests 13 separate items from each Deponent. Each letter contains the phrase, "Naturally, nothing in this letter is intended as a waiver of GuideOne Insurance's right to insist upon Strict Compliance with all contractual terms and conditions, including all applicable limitations, or as a waiver of any right or defense under the contract or applicable law.".... "This demand constitutes neither an admission nor a denial of liability under the policy, but it is an exercise without prejudice, of the rights of the company provided in said policy and is not a waiver of any defenses or rights the company may have now or in the future, specifically including though not limited to, the taking of additional examinations under oath.

20.) These depositions were an attempt by GuideOne Insurance to deny coverage to their insured on the pretense that the property was vacant under the language of the policy. GuideOne Insurance already knew by the responses of Marshall Anders, Esquire in his letter of March 13, 2015 that the property was not vacant and was being used for, among other things day care operations at a minimum of 3 days per week. The gym, although quite damaged was also used by members of the Church and sons and daughters of members of the Church, specific other rooms of the Church that were being used included the offices, auditorium, bathrooms, closets, lunch room, teacher's lounge, President's office, Deacon's office, Leader's Room, a green room, a prayer room, nursery, teenage classrooms, Bible study room, and reception area (See Exhibit "C", Marshall Anders, Esquire's letter of March 13, 2015.)

21.) Although it was becoming obvious to Shawnee's attorney and the other officials that GuideOne was using depositions as a ruse to continue to deny and delay payment, the Church officials decided to participate in the Depositions of June 12, 2015. The Depositions confirmed that the property was **not** vacant and a great deal of activity was occurring in the building prior to January 13, 2015 including renovations at the end of the Charter School lease.

22.) Despite the fact that the Depositions, all taken on June 12, 2015 confirmed that property was not vacant and therefore, GuideOne had an obligation to pay immediately under the contract, GuideOne then proceeded to do absolutely nothing for several months. They violated the provisions of their contract with Plaintiff that required that they give written notice every 45 days.

23.) Defendant, GuideOne Insurance also knew that Plaintiffs were in a very difficult financial position. In the months before January 13, 2015, the Church's contract with Charter School, Pocono Mountain Charter School ended and without the rental provided by the monthly income from the Charter School, Plaintiff began falling behind on their mortgage payments. The bank's financing the mortgage PSB Credit Services were approached in order to refinance the mortgage. Plaintiff felt confident they could either rent the premises, or refinance their loan with the bank or other lending institution or sell the property if the other options did not work out. But in order to rent or sell or refinance the damage had to be fixed.

24.) After the incident of January 13, 2015, and the ensuing damage, it became obvious that Plaintiff could not rent or refinance or sell until the extensive damage was repaired. It also became obvious as the months passed without any action by GuideOne Insurance, that Plaintiff would probably lose the property at Sheriff's Sale.

25.) Despite the desperate straits the Plaintiffs faced, Defendant, GuideOne Insurance did nothing from the time of the depositions of June 12, 2015 until, finally, an e-mail of October 28, 2015 from Larry Brown of GuideOne Insurance telling Plaintiff that he was replacing Brian Baskin on the file. Previous to October 28, 2015, Plaintiff's Attorney, Marshall Anders had sent letters to Dale Delaney, Attorney for GuideOne which enclosed various documents. (Exhibit "F" - Larry Brown's e-mail of October 28, 2015.)

26.) Larry Brown's e-mail of October 28, 2015 a full 5 months after last contact from GuideOne indicated "When you have the time please contact me to discuss the merits of this loss and possible conclusion."

At the time of Mr. Brown's letter GuideOne was in direct violation of the policy which required GuideOne to do the following: Accept the claim and pay the value of lost or damaged property or provide a letter every 45 days under Pennsylvania Insurance Law and the contract explaining when they would reach a decision.

27.) On November 13, 2015, Attorney, Marshall Anders responded to Larry Brown of GuideOne to inform him, that once again he would forward copies of information requested and that a Sheriff's Sale had been scheduled for some time in February 2016. (Exhibit "G" - Marshall Anders' letter of November 13, 2015.)

28.) On November 30, 2015, Marshall Anders, Esquire sent another letter to Larry Brown requesting that GuideOne provide him with a copy of the estimate done for repair of the damage to the Church which totaled $1.8 Million. As per their earlier stance regarding refusal to give Engineering Report by Bob Malinga, GuideOne refused to provide estimate report of damage. Those actions of Bad Faith refusal to provide reports already done become obvious in the ensuring negotiations with GuideOne. Because if, as of October 28, 2015, GuideOne by Baskin's replacement, Larry Brown were giving up on the pretense that they did not have to pay because of some suspicion or because the property was allegedly vacant, then obviously, if they already had an estimate of $1.8 Million in damages from their engineers and contractors, GuideOne should simply pay it. However, it again became apparent that with GuideOne nothing was simple and payment was never going to be without Bad Faith obstacles. (Exhibit "H" - Marshall Anders' letter of November 30, 2015.)

29.) On December 10, 2015, this law firm began representation of Shawnee Tabernacle Church and A-Z Day Care Center regarding GuideOne Insurance Company by forwarding a letter of representation. In this letter, this office indicated that GuideOne had let this issue languish for 11 months and produced a situation in which Shawnee Tabernacle Church had suffered serious direct and consequential damage. This office also requested that GuideOne forward their experts evaluation of the damage which we believed could be in excess of $2 Million. (See Exhibit "I" - William P. Fedullo, Esquire's letter of December 10, 2015.)

30.) On December 19, 2015, Larry Brown of GuideOne Insurance called this law office; he indicated that he wanted to respond within 10 day period as per this firm's letter. He admitted the matter had not been handled properly and he admitted that there was no longer a coverage issue. He claimed to have no report regarding $1.8 Million estimate. He requested items. He indicated he wanted to come to the Church to estimate damages with his expert (despite the fact that GuideOne had previously had experts evaluate damages.) A visit was scheduled for January 5, 2016.

31.) Although Plaintiff consented to provide estimates of damages that had been previously provided and additionally had been assessed by GuideOne's experts, Plaintiffs agreed to the visit and again provided documentation. The hope, that since Mr. Brown admitted there was no longer a coverage issue, that perhaps GuideOne would finally act in Good Faith. It is important to remember that the first GuideOne review of premises was January 15, 2015 and the second was January 5, 2016, almost a fully year had passed to once again assess damage originally assessed at $1.8 Million Dollars.

32.) On January 4, 2016 this office forwarded to Larry Brown of GuideOne a list of damages both direct and consequential which included the lease between Shawnee Tabernacle Church and former tenant Pocono Mountain Charter School that indicated a past lease of $88,280.44 per month, which yielded approximately $1,059,360.00 for the year. The lease had concluded in September 2014 and the Church was attempting to find replacement tenant until the water damage of January 13, 2015 and the consequential damage and the failure of GuideOne to acknowledge their responsibility of coverage (See Exhibit "J" - William P. Fedullo, Esquire's letter of January 4, 2016.)

33.) On January 5, 2016, GuideOne by Larry Brown and engineers and contractors once again inspected the Church property and the damage caused by the water leak.

34.) On January 8, 2016, Larry Brown forwarded an e-mail letter to this office that acknowledged the meeting and wrote, "It is my anticipated hope that we can achieve a desired result in a very short period of time." Unfortunately, time was of the essence because the foreclosure of the property was scheduled for February 25, 2016 and without, financial relief for the damage, and/or ability to rent or sell the Church had only dire prospects to save their beloved building. (Exhibit "K" - Larry Brown's e-mail of January 8, 2016.)

35.) On January 15, 2016, this office responded to every question posed by Larry Brown's e-mail of January 8, 2016 (See Exhibit "L" - William P. Fedullo, Esquire's letter of January 15, 2016. Other letters and e-mails from this office in January, 2016 including 1/4/2016, 1/6/2016, 1/15/2016, 1/20/2016, 1/25/2016, 1/25/2016, 1/25/2016 in an effort to get resolution prior to the Sheriff's Sale.)

36.) On February 1, 2016, this office had a conversation with Larry Brown who indicated he would forward a settlement check for, at the time, the indisputable portion of damages of $910,000.00. He indicated that he could get $1.4 Million for a global settlement. This office indicated that the Church needed to deal with the bank over the foreclosure issue and at least $1.8 Million would be needed for a global settlement: Larry Brown agreed to try to get $1.8 Million if that would settle everything. This, apparently was in partial response to this office's letter of January 20, 2016 in which the looming deadline of auction was referenced and, the previous assessment.

37.) As of February 25, 2016 and prior, this office was also in the process of dealing with the claims of Prins Bank since the claims of damage was now on property that related to the mortgage holder because of the foreclosure. Larry Brown and GuideOne understood that they were making an effort not only to pay for the damages to the building but also to compensate Shawnee Tabernacle Church because of the prior Bad Faith effort to deny liability. Eventually, Prins Bank and Shawnee Tabernacle Church were able to come to an agreement with regard to the damages only aspect of the claim. Prins Bank recognized and would allow Shawnee to pursue the Bad Faith claim and consequential damages claim, separate from the claim for damages.

38.) On April 6, 2016, Larry Brown spoke with this office. As a result of that conversation this office forwarded a letter to Larry Brown in which the entire claim involving both damages and Bad Faith would be settled for $1,750,000.00. (Exhibit "M" - William P. Fedullo, Esquire's letter of April 6, 2016.) The letter also referenced Larry Brown's previous indication that he was at $1,675,000.00.

39.) On April 6, 2016, Larry Brown sent a letter to this office stating "Respectively there is no broad implications on my part in any of those prior conversations" which this office interpreted to mean he was owning up to his prior offers of settlement. This letter also contains a request for "supporting documentation" that GuideOne had been previously sent several times including GuideOne's own documentation of damages which they always refused to share (See Exhibit "N" - Larry Brown's e-mail of 4/6/2016.)

40.) As a result of Larry Brown's e-mail, this office replied by e-mail of 4/7/2016. This e-mail points out the many inconsistences and Bad Faith actions of GuideOne Insurance in response to Larry Brown's statement on Wednesday, April 6, 2016 that he was "under pressure to conclude this matter, this office stated "It is unfortunate that your company did not feel this sense of urgency at the outset but instead failed to act in Good Faith resulting in further damages and consequential damages to my client. This office also addressed the April 6, 2016 conversation in which Larry Brown now offered $1.6 Million to settle all aspect of the claim which was $75,000 less than the previous offer. Furthermore, the letter of April 7, 2016 points out that Larry Brown already has the documentation he requested. (See Exhibit “O”- William P. Fedullo, Esquire’s e-mail letter of April 7, 2016.)

41.) On April 13, 2016, Larry Brown once again sent e-mail to this office once agin stating “There are no broad implications on my part in any of those prior conversations and there have been no formal offers to conclude this matter.” (Exhibit “P” - Larry Brown’s e-mail of April 13, 2016.)

42.) On May 23, 2016, Larry Brown had a conversation with this office. On May 26, 2016, this office forwarded to Mr. Brown a letter regarding all letters and all documentation previously sent to Mr. Brown and GuideOne this letter details, as previous letters and conversations had done, all the direct and consequential damages suffered by Shawnee due to the inaction of GuideOne. The damages included the following:

A.) Minimum of $718,000 in damages.

B.) Failure to pay in a reasonably quick amount of time in January 2015, the arrearages were only in the $100,000 range but by the time of the auction of February 25, 2016, the arrearages had grown to $349,947.12, because of the inability of Shawnee to rent or sell or renegotiate because of the damages.

C.) Shawnee lost entirely the $2.8 Million paid in mortgage from 2007 to 2015 including $1.2 Million in equity.

D.) Lost opportunity to rent the property because of damage previously tenant had paid in excess of $1 Million per year.

E.) Lost opportunity to sell the property, although the property had obviously lost value because of severe water damage, the bank’s broker indicated a list value of $3.2 Million.

F.) Other damages as indicated in the letter (See Exhibit "Q" - William P. Fedullo's letter of May 26, 2016.)

43.) On May 26, 2016, Larry Brown sent e-mail to William P. Fedullo, Esquire indicating he was out of office until May 31, 2016. On June 3, 2016, this office spoke with Larry Brown of GuideOne Insurance and told him that he had a fiduciary duty to bargain in good faith. This office told him he had offered, for a global settlement $1,675,000 and implied he could get to $1.7 Million. Larry Brown denied this claim and he stated that Defendant's could force a Bad Faith claim into federal mediation. He seemed to offer $300,000 in addition to the damage amount which was rejected.

44.) Prins Bank (PSB Credit Services) and Shawnee, after the auction of 2/25/2016, spent considerable time trying to come to an agreement regarding several issues including;

A.) How much of the damage amount was Prins Bank (PSB Credit Services, Inc.), entitled to in light of the auction of February 25, 2016 which transferred ownership?

B.) How was Shawnee going to pay back the Deficiency Judgment as of the auction of February 25, 2016?

C.) In the event that the parties could not achieve a "Global Settlement" with GuideOne Insurance, Prins Bank (PSB Credit Services, Inc.) would not make a claim regarding Shawnee's Bad Faith Claim against GuideOne Insurance.

D.) The parties were attempting to come to an agreement regarding allocation; eventually, the parties agreed that Shawnee would have the entire Bad Faith Claim against GuideOne if a "Global" Settlement was not achieved. The parties also agreed that Prins Bank (PSB Credit Services, Inc.) was satisfied with a total of $741,860 in property damage, in which PSB would receive $605,948.45 and Shawnee Tabernacle Church would receive $135,911.55 and the Deficiency Judgment against Shawnee would be dismissed.

45.) On June 10, 2016, GuideOne Insurance by Larry Brown sent a letter indicating that a check in the amount of $741,860 had been sent to "Prins Bank Credit Services, Inc.". Mr. Brown's letter also indicated he was not in agreement with proposed settlement as expressed in May 31, 2016 telephone conversation and May 26, 2016 letter. (Exhibit "R" - Larry Brown's letter of June 10, 2016.)

46.) On June 15, 2016, this office sent a letter to GuideOne Insurance regarding property damages only that allocation should be made in separate checks to reflect the agreement with PSB Credit Services, Inc. and Shawnee. (Exhibit "S" - William P. Fedullo, Esquire's letter of June 15, 2016.)

47.) On July 27, 2016, Larry Brown sent this office a letter acknowledging the distribution of funds for property damage but trying to disclaim most of the losses suffered by the Church and asked if this office had communicated his offer to conclude Shawnee's claim with GuideOne. Mr. Brown's letter seemed oblivious to the fact that it took GuideOne approximately 1 ½ years to pay damages on a claim that should have been concluded at least one year earlier. This office on August 2, 2016 sent a letter to Larry Brown stating in part;

> "You pretend that the dilatory actions of GuideOne had no impact on the Church's loss of equity, loss of rent or sale, inability to stave off foreclosure, loss of building, interest and attorney's fees. Both your predecessor, Mr. Baskin and yourself have refused to provide requested reports. Your company has failed to abide by the contract with Shawnee and I believe you will only take seriously your fiduciary obligations when faced with a trial in Federal Court... If you have a serious and real offer to make please do so in writing."

Larry Brown had orally offered $300,000 in addition to the total damage payment of $741,860. This total offer of $1,041,860 ($300,000 for Bad Faith claim) was approximately $635,000 less than previous offer he had made as per paragraph 38 above. (Exhibit "T" - Larry Brown's letter of July 27, 2016 - Exhibit "U" - William P. Fedullo, Esquire's letter of August 2, 2016.)

48.) As of the date of the filing of this lawsuit no written offer has been made by Larry Brown and GuideOne.

49.) As a result of the conduct of Defendant described herein, as well as other conduct which may be revealed through the course of discovery, Plaintiff has sustained significant damages, including but not limited to, damages to the property, the loss of the property through auction of February 25, 2016, the loss of more than $2.8 Million in mortgage payments between 2007 and 2014 including the loss of in excess of $1.2 Million in equity, the loss of rental possibility from 1/15/2015 onward due to the unfixed damage, the loss of possible sale of the property, the requirement and expense in finding alternate accommodations for the Church, adverse credit effects, attorneys fees and costs, penalties that had to be paid to PSB, penalties and other losses.

COUNT I:

50.) Plaintiff incorporates by reference herein the allegations of paragraphs 1 through 49 as it fully set forth at length herein.

51.) As a result of the failure of Defendant to timely and properly indemnify Plaintiff for its loss in accordance with the terms of insurance policy number 1294-392, Defendant has breached and continues to breach its contract with the Plaintiff and as a direct result hereof, Plaintiff has incurred substantial monetary damages, loss of property, loss of proceeds of rent or sale, professional fees, loss of their share of damages, impact on credit, attorney's fees and Court costs as a result of Defendant's failure to conduct a reasonable and prompt investigation, provide reasons under contract for its actions and provide coverage under the insurance policy.

WHEREFORE, Plaintiff requests that the Court award it the following relief:

A.) Order Defendant to provide coverage of $605,948.45 to Plaintiff which represented the share of damages paid over to PSB due to Defendant's delay.

B.) Order Defendant to provide coverage for the $1.2 Million in equity that Plaintiff lost due to the auction of the property.

C.) Order the Defendant to provide coverage of the total mortgage payments made by Plaintiff.

D.) Order the Defendant to provide coverage for the loss of rent incurred by the Plaintiff due to Defendant's delay.

E.) Order Defendant to provide appropriate amount for the alternate location that Plaintiff has been forced to find.

F.) Order Defendant to provide coverage for an appropriate amount of the profit that Plaintiff would have made, had Plaintiff been able to sell property.

G.) Order the Defendant to pay the actual amount of damages, that Defendant's agents reported after inspection of January 15, 2015 and thereafter.

H.) Order Defendant to pay interest costs.

I.) Such other relief as may be appropriate.

COUNT II:

52.) Plaintiff incorporates by reference herein the allegations of paragraphs 1 through 51 as if fully set forth at length herein.

53.) As a result of the Defendant's imposition of assorted duties upon Plaintiff which do not exist within the terms of the insurance policy number 1294-392 and as a result of Defendant's failure to comply with provisions within the said policy and as a result of Defendant's failure to provide reports of their agents and employees regarding liability and damages, Defendant breached its contract with the Plaintiff and as a direct result thereof, Plaintiff has incurred substantial monetary damages, professional fees, attorneys' fees and Court costs.

WHEREFORE, Plaintiffs request that the Court award it the following relief:

A.) Order Defendant to provide coverage of $605,948.95 to Plaintiff which represents the share of damages paid over to PSB due to Defendant's delay.

B.) Order Defendant to provide coverage for $1.2 Million in equity that Plaintiff lost due to the auction of the property.

C.) Order Defendant to provide coverage of the total mortgage payments made by Plaintiff.

D.) Order the Defendant to provide coverage for the loss of rent incurred by the Plaintiff due to Defendant's delay.

E.) Order the Defendant to provide appropriate coverage for the alternate location for the Church that Plaintiff has been forced to find.

F.) Order Defendant to provide coverage for the appropriate amount of the profit Plaintiff would have made had Plaintiff been able to sell property.

G.) Order the Defendant to pay the actual amount of damages that Defendant agents reported after inspections of January 15, 2015 and thereafter.

H.) Order Defendant to pay interest costs.

I.) Such other relief as may be appropriate.

COUNT III:

54.) Plaintiffs incorporates by reference herein the allegations of paragraphs 1 through 53 as if fully set forth at length herein.

55.) Plaintiff's loss is due to Defendant's Bad Faith in the investigation of Plaintiff's claim in some or all of the following particulars:

A.) Failure to act promptly.

B.) Failure to provide Plaintiff's with reports of Defendant's engineers and contractors despite repeated requests to do so.

C.) Failure to conduct a reasonable and prompt investigation based upon all available information.

D.) Repeated attempts to deny coverage based upon no real evidence.

E.) Failure to affirm or deny coverage of claims within a reasonable time.

F.) Failure to adhere to the provisions of the policy regarding written notice to client.

G.) Delaying the investigation and/or payment of damages.

H.) Negotiating in Bad Faith.

I.) Failing to negotiate as a fiduciary of Plaintiff.

J.) Failure to adhere to and pay the Defendant's own estimated damages of claim.

K.) Requesting documentation for items and information that were already in their possession, over and over.

L.) Negotiating a level of potential settlement and then substantially lowering offer.

M.) Other acts, which, through the course of discovery, may reveal additional conduct of Defendant that constitutes Bad Faith.

56.) As a result of Defendant's Bad Faith conduct, Plaintiff seeks damages in accordance with 42 Pa. C.SA. SS8371 including punitive damages.

WHEREFORE, Plaintiff demands judgment in its favor for the relief requested herein, together with costs, interest and counsel fees and punitive damages.

COUNT IV.

57.) Plaintiff incorporates by reference herein the allegations of paragraphs 1 through 56 as if fully set forth at length herein.

58.) Plaintiff's loss is due to Defendant's Bad Faith in the interpretation of the policy between Plaintiff and Defendant in some or all of the following particulars;

A.) Misrepresenting and misinterpreting pertinent facts relating to coverage under the policy.

B.) Misrepresenting and misinterpreting pertinent contractual provisions relating to coverage under the policy.

C.) Improperly imposing terms upon Plaintiff beyond the plain meaning of the terms of the policy of insurance.

D.) Other acts, which through the course of discovery, may reveal additional conduct of Defendant that constitutes Bad Faith.

59.) As a result of Defendant's Bad Faith conduct, Plaintiff seeks damages in accordance with 42 Pa. C.S.A. SS8371 including punitive damages.

WHEREFORE, Plaintiff demands judgment in her favor for the relief requested herein, together with costs, interest and counsel fees and punitive damages.

COUNT V:

60.) Plaintiffs incorporates by reference herein the allegations of paragraphs 1 through 59 as if fully set forth at length.

61.) Defendant breached its implied duty to act in good faith and deal fairly with Plaintiff in all aspects of Plaintiff's claim, including but not limited to its reasonable delay in investigating its claim, imposing terms and duties upon Plaintiff not found within the four corners of the insurance policy, unreasonable delay in processing claim, unreasonably failing to provide Plaintiff results of engineers and contractors reports, unreasonable refusal to adhere to the dictates of the policy, unreasonable failure to negotiate in good faith.

WHEREFORE, Plaintiff demands judgment in its favor for compensable and punitive damages, together with costs, interest and counsel fees.

Respectfully submitted:

DATE: 11-3-16

BY: [signature]

WILLIAM P. FEDULLO, ESQUIRE
ATTORNEY FOR PLAINTIFF,
SHAWNEE TABERNACLE
CHURCH
I.D. NO. 23681
121 SOUTH BROAD ST. 8TH FLOOR
PHILADELPHIA, PA 19107
(215) 235-6500
E-MAIL: williamfedullo@gmail.com

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

SHAWNEE TABERNACLE CHURCH	:	**CIVIL ACTION**
1110 CARRIAGE LANE	:	
TOBYHANNA, PA 18466-8278	:	
AND	:	
AZ LEARNING DAY CARE	:	
1110 CARRIAGE LANE	:	
TOBYHANNA, PA 18466-8278	:	
VS.	:	
GUIDEONE INSURANCE	:	
1111 ASHWORTH ROAD	:	
WEST DES MOINES, IA 50265-3538	:	

EXHIBITS:

A.) GuideOne Policy No. 1294-392.

B.) Marshall Anders, Esquire's letter of March 4, 2015.

C.) Marshall Anders, Esquire's letter of March 13, 2015.

D.) GuideOne - Brian Baskin's letter of April 14, 2015.

E.) GuideOne Notice of Depositions - Reverend Dennis Bloom, Ludie Chatt, Georgette Simmons, Charity Contes and Tanya Crutchford.

F.) Larry Brown's e-mail of October 28, 2015.

G.) Marshall Andres, Esquire's letter of November 13, 2015.

H.) Marshall Andres, Esquire's letter of November 30, 2015.

I.) William P. Fedullo, Esquire's letter of December 10, 2015.

J.) William P. Fedullo, Esquire's letter of January 4, 2016.

K.) Larry Brown's e-mail of January 8, 2016.

L.) William P. Fedullo, Esquire's letter of January 15, 2016.

M.) William P. Fedullo Esquire's letter of April 6, 2016.

N.) Larry Brown's e-mail of April 6, 2016.

O.) William P. Fedullo, Esquire's e-mail letter of April 7, 2016.

P.) Larry Brown's e-mail of April 13, 2016.

Q.) William P. Fedullo, Esquire's letter of May 26, 2016.

R.) Larry Brown's letter of June 10, 2016.

S.) William P. Fedullo, Esquire's letter of June 15, 2016.

T.) Larry Brown's letter of July 27, 2016.

U.) William P. Fedullo, Esquire's letter of August 2, 2016.

COMMON POLICY DECLARATIONS

POLICY NO. 1294-392 RENEWAL

NAMED INSURED
SHAWNEE TABERNACLE
A-Z LEARNING DAY CARE
PO BOX 852

MOUNT POCONO PA 18344

PRODUCER NAME AND ADDRESS
BROWN & BROWN OF LEHIGH VALLEY
INC
3001 EMRICK BLVD STE 120
BETHLEHEM PA 18020
29-182 (29C) (610)974-9490
WWW.BrownandBrownLehighValley.GuideOne.com

POLICY PERIOD: FROM 12/29/2014 TO 12/29/2015
AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

COMMERCIAL PROPERTY COVERAGE PART $ 10,280.00
FORMS APPLICABLE: CP0140/0706 CP1218/0607
GCP0444/0409 PCP2311/0409 PCP4310/0396
PCP4314/0409 PCP7306/0885 PCP7357/0409

COMMERCIAL GENERAL LIABILITY COVERAGE PART $ 9,275.00
FORMS APPLICABLE:
SEE COMMON POLICY DECLARATIONS SUPPLEMENT

COMMERCIAL CRIME COVERAGE PART $ 136.00
FORMS APPLICABLE: CR0001/1090 PCR2611/0396
PCR4610/0396

COMMERCIAL INLAND MARINE COVERAGE PART $ .00
FORMS APPLICABLE:

MECHANICAL, ELECTRICAL AND PRESSURE EQUIPMENT COVERAGE PART $ .00
COVERAGE INCLUDED IN PROPERTY - SEE FORM PCP7357

FORMS APPLICABLE TO MORE THAN ONE COVERAGE PART:
SEE COMMON POLICY DECLARATIONS SUPPLEMENT

TOTAL PREMIUM OF $19,691.00.

COUNTERSIGNED 11/11/2014 BY ______________________________
(DATE) (AUTHORIZED REPRESENTATIVE)

GuideOne Insurance
1111 ASHWORTH ROAD
WEST DES MOINES, IOWA 50265-3538
(515)267-5000

GuideOne Mutual
Insurance Company

PLAINTIFF'S EXHIBIT
A

C O M M O N P O L I C Y D E C L A R A T I O N S
S U P P L E M E N T

POLICY EFFECTIVE 12/29/2014 POLICY NO. 1294-392

NAMED INSURED SHAWNEE TABERNACLE

COVERAGE PART FORM SCHEDULE

COMMERCIAL GENERAL LIABILITY COVERAGE PART
FORMS APPLICABLE: CG0068/0509 CG2167/1204
CG2170/0108 CG2176/0108 GCG0404/0409
GCG0531/1299 GCG0551/0203 GCG2101/0407
GCG2810/0409 GCG7410/0409 PCG2510/0409
PCG7513/0799 PCG7543/0203 PMAN502

FORMS APPLICABLE TO MORE THAN ONE COVERAGE PART:
GIL4201/0409 GIL4220/0409 GN70029/0108
IL0003/0908 IL0021/0908 IL0166/0907
IL0172/0907 IL0246/0907 IL0910/0702
IL0952/0308 PIL7209/0790

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 60 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. Unintentional Errors Or Omissions

Failure by you to disclose all hazards existing as of the inception date of the policy shall not prejudice you with respect to the coverage afforded by this policy, provided such failure or any omission is not intentional.

H. Knowledge Of An Occurrence

It is understood and agreed that knowledge of an occurrence by your agent, or any servant or employee of yours, shall not in itself constitute knowledge by you, unless an executive officer of your corporation shall have received such notice from its agent, servant or employee.

MUTUAL POLICY PROVISIONS

GuideOne Mutual Insurance Company

GuideOne Specialty Mutual Insurance Company

Membership And Notice Of Annual Meeting

Because this policy is issued by a mutual insurance company, you are a member of the Company issuing the policy while this policy is in force. While a member, you are entitled to one vote only - either in person or by proxy - at meetings of members of the Company.

The Annual Meetings at **GuideOne Mutual Insurance Company** are held at its Home Office on the fourth Thursday of January in each year, at 10:00 a.m.

The Annual Meetings of **GuideOne Specialty Mutual Insurance Company** are held at its Home Office on the third Friday of January in each year, at 2:00 p.m.

Nonassessable Policy And Participation Clause

This policy is nonassessable. You are not subject to contingent liability, nor liable to assessment. As a member of the Company while this policy is in force, you shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of any dividends declared and applicable to coverages in your policy.

Signatures

This policy is signed at West Des Moines, Iowa on behalf of the Company by the President and Secretary of the Company. It is countersigned, if required by law, on the Declarations by an authorized Agent of the Company.

GuideOne Mutual Insurance Company

James D. Wallace
President

Thomas C. Farr
Secretary

GuideOne Specialty Mutual Insurance Company

James D. Wallace
President

Thomas C. Farr
Secretary

CALCULATION OF PREMIUM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

© ISO Properties, Inc., 2007

Date: 11/11/14
Policyholder: SHAWNEE TABERNACLE
Corporate ID: 1242-448
Policy Number: 1294-392

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2007, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your existing coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a $100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds $100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed $100 billion, your coverage may be reduced in accordance with procedures established by the Secretary of Treasury.

The portion of your annual premium that is attributable to coverage for acts of terrorism is $247.00.

You may reject the offer by checking the appropriate box and signing the statement below and returning it to us, and your policy will be endorsed to exclude the described coverage.

☐ I accept the offer for terrorism coverage as explained in this Notice.

☐ I reject the offer of terrorism for certified acts of terrorism as explained in this Notice. I understand that I am also rejecting certified terrorism coverage for any applicable Umbrella and/or Business Auto policy(s).

Applicant's Signature

Date

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

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"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

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CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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AMENDATORY DEDUCTIBLE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

All Coverage Parts included in this policy are subject to the following:

Except as provided in the next paragraph, if two or more coverages of this policy apply to loss or damage arising out of any one occurrence, we will pay for loss or damage that exceeds the largest single deductible of any coverage that applies to the loss or damage. We will not pay more than the actual loss or damage.

This endorsement does not apply to **CAUSES OF LOSS — EARTHQUAKE FORM.** If that form applies to this policy, its **DEDUCTIBLE** provision will apply to loss or damage caused by or resulting from **Earthquake** or **Volcanic Eruption.**

PENNSYLVANIA CHANGES -- ACTUAL CASH VALUE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

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PENNSYLVANIA CHANGES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART

A. For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part
Commercial Inland Marine Coverage Part
Commercial Property Coverage Part
Crime And Fidelity Coverage Part
Equipment Breakdown Coverage Part

The **TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY** Common Policy Condition is replaced by the following:

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

If you die, this Coverage Part will remain in effect as provided in **1.** or **2.** below, whichever is later:

1. For 180 days after your death regardless of the policy period shown in the Declarations, unless the insured property is sold prior to that date; or

2. Until the end of the policy period shown in the Declarations, unless the insured property is sold prior to that date.

Coverage during the period of time after your death is subject to all provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.

B. For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part
Commercial Inland Marine Coverage Part
Commercial Property Coverage Part
Farm Coverage Part

The following is added to the **LOSS PAYMENT** Loss Condition and supersedes any provision to the contrary:

NOTICE OF ACCEPTANCE OR DENIAL OF CLAIM

1. Except as provided in **3.** below, we will give you notice, within 15 working days after we receive a properly executed proof of loss, that we:

a. Accept your claim;

b. Deny your claim; or

c. Need more time to determine whether your claim should be accepted or denied.

If we deny your claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason why more time is required.

2. If we have not completed our investigation, we will notify you again in writing, within 30 days after the date of the initial notice as provided in **1.c.** above, and thereafter every 45 days. The written notice will state why more

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time is needed to investigate your claim and when you may expect us to reach a decision on your claim.

3. The notice procedures in **1.** and **2.** above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.

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PENNSYLVANIA CHANGES -- CANCELLATION AND NONRENEWAL

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. The **Cancellation** Common Policy Condition is replaced by the following:

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.

2. Cancellation Of Policies In Effect For Less Than 60 Days

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

3. Cancellation Of Policies In Effect For 60 Days Or More

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.

b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.

c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or

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delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.

5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.

7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

B. The following are added and supersede any provisions to the contrary:

1. Nonrenewal

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

2. Increase Of Premium

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

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PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. Surveys;
2. Consultation or advice; or
3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. To consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

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COMMERCIAL PROPERTY COVERAGE PART
DECLARATIONS PAGE

POLICY EFFECTIVE 12/29/2014 POLICY NO. 1294-392
NAMED INSURED SHAWNEE TABERNACLE

DESCRIPTION OF PREMISES AND COVERAGES PROVIDED
THIS POLICY COVERS THE PROPERTY LISTED BELOW.

RISK NO. 001
PREMISES NO. 001 BUILDING NO. 001 ADDITIONAL INTEREST APPLIES
CONSTRUCTION FRAME
OCCUPANCY CHURCH
PREMISES ADDRESS
1110 CARRIAGE SQUARE

TOBYHANNA MONROE PA 18466

	BUILDING	PERSONAL PROPERTY
LIMIT OF INSURANCE	$5,191,000	$934,300
CAUSE OF LOSS FORM	SPECIAL INCLUDING THEFT	SPECIAL INCLUDING THEFT
COINSURANCE	100%	100%
DEDUCTIBLE	$5,000	$5,000
OPTIONAL COVERAGES	REPLACEMENT COST	REPLACEMENT COST

COMMERCIAL PROPERTY COVERAGE PART
DECLARATIONS PAGE

POLICY EFFECTIVE 12/29/2014 POLICY NO. 1294-392

NAMED INSURED SHAWNEE TABERNACLE

ADDITIONAL INTERESTS - MORTGAGE HOLDERS/LOSS PAYEE/ADDITIONAL INSURED

RISK	PREM.	BLDG.	MORTGAGE HOLDERS NAME AND MAILING ADDRESS MORTGAGEE
001	1	1	SOVEREIGN BANK 619 ALEXANDER RD PRINCETON NJ 08540

FORM CP1218/0607
LOSS PAYABLE PROVISIONS

SCHEDULE

THE LOSS PAYMENT LOSS CONDITION IS INDICATED BY AN "X"
BELOW FOR THE DESCRIBED PROPERTY:

_X__ LOSS PAYABLE
____ LENDER'S LOSS PAYABLE
____ CONTRACT OF SALE
____ BUILDING OWNER LOSS PAYABLE

PREMISES - BUILDING NUMBER	DESCRIBED PROPERTY	LOSS PAYEE NAME AND ADDRESS
1-1-1	CONTENTS	PRINS BANK 12011 BUSINESS PARK BLVD CHAMPLIN MN 55316

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.

B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.

C. With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".

D. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:

1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and

2. Additional Coverage -- Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.

E. The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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FIRE AND SECURITY ALARM SYSTEM UPGRADE COVERAGE

THIS DOCUMENT IS AN ENDORSEMENT THAT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

A. The following is added to **4. Additional Coverages** of section **A. Coverage**.

Fire and Security Alarm System Upgrade Coverage

1. In the event of direct physical loss or damage to fire alarm or security alarm systems within a covered building at the premises described in the Declarations, we will, at your option, pay for the reasonable additional costs you incur to upgrade such fire alarm or security alarm systems with alternative systems that qualify as a "fire alarm system upgrade" or a "security alarm system upgrade". The direct physical loss or damage must result from a Covered Cause of Loss.

2. We will pay for a "fire alarm system upgrade" or a "security alarm system upgrade" under this Additional Coverage only if such a "fire alarm system upgrade" or a "security alarm system upgrade" is commercially available.

3. Under this Additional Coverage, the most we will pay in any one occurrence is 25% of the amount we would otherwise pay for the direct physical loss or damage to that part of the fire alarm or security alarm system being upgraded (prior to the application of any deductible that applies), not to exceed $10,000.

This Additional Coverage is in addition to the Limits of Insurance shown in the Declarations.

B. Business Income and Extra Expense

The following is added to the definition of "period of restoration" in section **H. Definitions** of the Building and Personal Property Coverage Form and to section **F. Definitions** of any Business Income (And Extra Expense) Coverage Form or Business Income (Without Extra Expense) Coverage Form added to this policy by endorsement.

The "period of restoration" shall include any increased period necessary to repair or replace damaged Covered Property with a "fire alarm system upgrade" or a "security alarm system upgrade".

C. Exclusions

The Additional Coverage provided by this endorsement does not apply to:

1. A "fire alarm system upgrade" or "security alarm system upgrade" in any of the following property:

   a. New buildings under construction and buildings you acquire but have not reported to us;

   b. Property leased to, or rented to, you; or

2. Covered Property not insured on a replacement cost basis;

3. The enforcement of any ordinance or law:

   a. Regulating the construction, use or repair of any property; or

   b. Requiring the tearing down of any property, including the cost of removing its debris.

   This exclusion of the enforcement of any ordinance or law applies whether the loss results from:

   (1) An ordinance or law that is enforced even if the property has not been damaged; or

   (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal

of its debris, following a physical loss to that property.

D. Additional Definitions

1. "Fire alarm system upgrade" means the replacement of an existing fire alarm system with one of the following:

a. A system which sounds in multiple sections of the covered building or structure, if the existing system sounds in only one section of the building or structure;

b. A system which is automatically activated, if the existing system is manually activated; or

c. A system which includes verbal instructions for exiting the covered building or structure, if the existing system includes audible or visual alarms but no verbal instructions.

2. "Security alarm system upgrade" means the replacement of an existing security alarm system with one of the following:

a. A system which is triggered in additional sections of a covered building or structure beyond the current number of sections of the building or structure in which the current system is triggered; or

b. A system which sounds an alarm to a monitored system in which authorities are promptly dispatched, if the existing system sounds only a local audible alarm.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

FAITHGUARD

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H.**, Definitions.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

(1) Completed additions;

(2) Fixtures, including outdoor fixtures;

(3) Permanently installed:

(a) Machinery and

(b) Equipment;

(4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure;

(6) Signs, radio and television antennas and satellite dishes attached to the building or within 1,000 feet of the described premises;

(7) Walls, fences and walks.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property -- Separation Of Coverage form:

(1) Furniture and fixtures;

(2) Machinery and equipment;

(3) "Stock";

(4) All other personal property owned by you and used in your business;

(5) Labor, materials or services furnished or arranged by you on personal property of others;

(6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove;

(7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

Our payment for loss of or damage to this leased property will not exceed the lesser of:

(a) The value stated in the lease agreement; or

(b) The replacement cost value;

(8) Personal Property of Others that is:

(a) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises; and

(b) Business personal property belonging to your "ministers", managerial employees, officers or directors; or personal property of others used by you for business purposes.

However, our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities, except as provided in Section **C** -- Limitations of the Causes of Loss -- Special Form. Lottery tickets held for sale are not securities;

b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;

c. Automobiles held for sale;

d. Bridges, roadways, patios or other paved surfaces, except walks;

e. Contraband, or property in the course of illegal transportation or trade;

f. The cost of excavations, grading, backfilling or filling;

g. Foundations of buildings, structures, machinery or boilers if their foundations are below:

(1) The lowest basement floor; or

(2) The surface of the ground, if there is no basement;

h. Land (including land on which the property is located), water or growing crops; or lawns, except as provided in the Coverage Extensions;

i. Personal property while airborne or waterborne;

j. Bulkheads, pilings, piers, wharves or docks;

k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;

l. Retaining walls that are not at the premises described in the Declarations;

m. Underground pipes, flues or drains;

n. Electronic Data, except as provided under Additional Coverages, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This Paragraph **n.**, does not apply to your "stock" of prepackaged software;

o. The cost to research, replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;

p. Vehicles or self-propelled machines (including aircraft or watercraft) that:

(1) Are licensed for use on public roads; or

(2) Are operated principally away from the described premises.

This paragraph does not apply to:

(a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

(b) Vehicles or self-propelled machines, other than autos, you hold for sale;

(c) Rowboats or canoes out of water at the described premises; or

(d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

q. The following property while outside of buildings:

(1) Grain, hay, straw or other crops;

(2) Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, except as provided in the Coverage Extensions;

(3) Signs (other than signs, radio and television antennas and satellite dishes attached to buildings or within 1,000 feet of the described premises), except as provided in the Coverage Extensions; and

(4) Trees, shrubs or plants (other than "stock" of trees, shrubs or plants), except as provided in the Coverage Extensions.

r. "Fine arts", except as provided in the Additional Coverages.

3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

(1) Subject to Paragraphs **(3)** and **(4)**, we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph **(4)**, the following provisions apply:

(a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(b) Subject to **(a)** above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional $25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus $25,000.

(5) **Examples:**

The following examples assume that there is no Coinsurance penalty.

Example # 1

Limit of Insurance:	$ 90,000
Amount of Deductible:	$ 500
Amount of Loss:	$ 50,000
Amount of Loss Payable:	$ 49,500
	($50,000 - $500)
Debris Removal Expense:	$ 10,000
Debris Removal Expense Payable:	$ 10,000

($10,000 is 20% of $50,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense ($49,500 + $10,000 = $59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph **(3)**.

Example # 2

Limit of Insurance:	$ 90,000
Amount of Deductible:	$ 500
Amount of Loss:	$ 80,000
Amount of Loss Payable:	$ 79,500
	($80,000 - $500)
Debris Removal Expense:	$ 40,000
Debris Removal Expense Payable:	
Basic Amount:	$ 10,500
Additional Amount:	$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph **(3)** is calculated as follows: $80,000 ($79,500 + $500) x .25 = $20,000; capped at $10,500. The cap applies because the sum of the loss payable ($79,500) and the basic amount payable for debris removal expense ($10,500) cannot exceed the Limit of Insurance ($90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4)**, because the debris removal expense ($40,000) exceeds 25% of the loss payable plus the deductible ($40,000 is 50% of $80,000), and because the sum of the loss payable and debris removal expense ($79,500 + $40,000 = $119,500) would exceed the Limit of Insurance ($90,000). The additional amount of covered debris removal expense is $25,000, the maximum payable under Paragraph **(4)**. The total payable for debris removal expense in this example is $35,500; $4,500 of the debris removal expense is not covered.

The Additional Condition, Coinsurance, shall not apply to this Additional Coverage.

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within 60 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay the actual cost of your liability for fire department service charges:

(1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

No deductible applies to this Additional Coverage.

d. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is $25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Ordinance or Law

This Additional Coverage applies only to buildings to which the Replacement Cost coverage applies.

If a Covered Cause of Loss occurs to covered Building property, and causes the enforcement of any ordinance or law that **(a)** is in force at the time the cause of loss occurs, and **(b)** regulates the demolition, repair or reconstruction of that building, or establishes zoning or land use requirements at the described premises, we will pay:

(1) Up to $350,000 for the actual loss in the replacement cost value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

This Additional Coverage does not increase the limit applicable to the covered buildings shown in the Declarations. This is not an additional amount of insurance.

(2) Up to $350,000 for the amount you actually spend to demolish and clear the site of the undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

This is an additional amount of insurance.

(3) Up to $250,000 for the amount you actually spend for the increased cost to repair, reconstruct, or remodel that building. Increased cost is the cost excess of that cost to:

(a) Repair or reconstruct the damaged or destroyed property; or

(b) To reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

to meet the minimum requirements of such ordinance or law, on the basis of its like kind and quality, at the time the Covered Cause of Loss occurs. If the property is repaired or reconstructed, it must be intended for a similar occupancy as the current property, unless otherwise required by zoning or land use law.

When a building is damaged or destroyed and we pay for an amount you actually spend for the increased cost to repair, reconstruct, or remodel that building, we will also pay for:

(a) The cost of excavations, grading, backfilling and filling;

(b) The foundation of the building;

(c) Pilings; and

(d) Underground pipes, flues and drains.

The items listed in Paragraphs **(3)(a)** through **(3)(d)**, immediately above, are deleted from Property Not Covered, but only with respect to the coverage described in this Additional Coverage for increased cost to repair, reconstruct or remodel the building.

This is an additional amount of insurance.

We will not pay for increased construction costs under this Coverage Part:

(a) Until the property is actually repaired or replaced, at the same premises or elsewhere; and

(b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

We will not pay more:

(1) If the property is repaired or replaced on the same premises, than the amount you actually spend to:

(a) Demolish and clear the site; and

(b) Repair, rebuild or reconstruct the property but not for more than property of the same height, floor area and style on the same premises.

(2) If the property is not repaired or replaced on the same premises, than:

(a) The amount you actually spend to demolish and clear the site of the described premises; and

(b) The cost to replace, on the same premises, the damaged or destroyed property with other property:

(i) Of comparable material quality;

(ii) Of the same height, floor area and style; and

(iii) Used for the same purpose.

The terms of this Additional Coverage shall apply separately to each covered building to which this Additional Coverage applies.

The terms of this Additional Coverage shall not apply to:

(1) Any property or building that is not Covered Property;

(2) Any covered building that has not been damaged by a Covered Cause of Loss;

(3) Loss due to any ordinance or law that you were required to comply with, and that you failed to comply with before the loss occurred;

(4) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

(5) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

The Ordinance or Law exclusion does not apply to this Additional Coverage.

f. Indirect Loss -- Blanket Insurance

The most we will pay under this Additional Coverage is $100,000 for any combination of these coverages:

(1) "Business Income"

We will pay for the actual loss of "Business Income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration", caused by property damage from a Covered Cause of Loss to property at the locations described in the Declarations.

The amount of "Business Income" loss will be determined based on:

(a) The "Net Income" of the business before the direct physical loss or damage occurred;

(b) The likely "Net Income" of the business if no physical loss or damage had occurred;

(c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(d) Other relevant sources of information, including:

(i) Your financial records and accounting procedures;

(ii) Bills, invoices and other vouchers; and

(iii) Deeds, liens or contracts.

Extended "Business Income": If the necessary "suspension" of your "operations" produces a "Business Income" loss payable under this policy, we will pay for the actual loss of "Business Income" you incur during the period that:

(a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability or your "operations" are resumed; and

(b) Ends on the earlier of:

(i) The date you could restore tenant occupancy or your "operations", with reasonable speed, to the level which would generate the "Business Income" including "Rental Value" amount that would have existed if no direct physical loss or damage had occurred; or

(ii) 30 consecutive days after the date determined in **(a)** above.

(2) "Extra Expense"

We will pay for the expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay "Extra Expense" (other than the expense to repair or replace property) to:

(a) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

(b) Minimize the "suspension" of business if you cannot continue "operations".

(c) Repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable.

The amount of "Extra Expense" will be determined based on:

(a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

(i) The salvage value that remains of any property bought for temporary use during the "period of restoration" once "operations" are resumed; and

(ii) Any "Extra Expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(b) Necessary expenses that reduce the "Business Income" loss that otherwise would have been incurred.

Valuable papers and records and electronic data are not covered except as elsewhere provided in this policy.

(3) Tuition Fees

We will pay for actual loss of "Net Income" from "Tuition Fees" plus continuing normal operating expenses that would have been earned or incurred. We will pay only when there is a loss or damage to Covered Property by a Covered Cause of Loss.

This coverage is not limited by the expiration date of this policy, but ends on the earlier of:

(a) The day before the opening of the next "school term" following the date when, with reasonable speed and similar quality, the property should be repaired, rebuilt or replaced; or

(b) The date when the "school term" is resumed at a new permanent location.

(4) Emergency Evacuation

We will pay the reasonable expenses you incur in the evacuation of the premises described in the Declarations as a result of an unforeseen event which places the occupants in imminent danger of direct physical harm. This Additional Coverage applies only if there is actual or threatened loss or damage to Covered Property that results from a Covered Cause of Loss.

We will not pay for expenses under this Additional Coverage arising out of:

(a) A strike or bomb threat, unless evacuation is ordered by a civil authority; or

(b) A planned evacuation drill or false alarm.

(5) Civil Authority

We will pay for the actual loss of "Business Income" you sustain and necessary "Extra Expense" caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for "Extra Expense" will begin immediately after the time of that action and will end:

(a) 3 consecutive weeks after the time of that action; or

(b) When your Business Income coverage ends;

whichever is later.

(6) Alterations and New Buildings

We will pay for the actual loss of "Business Income" you sustain and necessary "Extra Expense" you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

(a) New buildings or structures, whether complete or under construction;

(b) Alterations or additions to existing buildings or structures; and

(c) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the described premises and:

(i) Used in the construction, alterations or additions; or

(ii) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

(7) Violent Incident

We will pay for the actual loss of "Business Income" you sustain due to the necessary "suspension" of your "operations", caused by a "violent incident" at a location described in the Declarations. But this coverage will apply only if no other coverage is provided within this coverage form or by the attachment of any endorsement to this policy, for such loss of "Business Income" from a "violent incident".

Determination of the "Business Income" loss under this Additional Coverage will be calculated only for the location where the "violent incident" occurred.

The amount of "Business Income" loss will be determined based on:

(a) The "Net Income" of the business before the "violent incident" occurred;

(b) The likely "Net Income" of the business if no "violent incident" had occurred;

(c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the "violent incident"; and

(d) Other relevant sources of information, including:

(i) Your financial records and accounting procedures;

(ii) Bills, invoices and other vouchers; and

(iii) Deeds, liens or contracts.

This coverage begins 72 hours after the time of the "violent incident" at the described premises and ends on the earlier of:

(a) 90 days after the date of the "violent incident"; or

(b) The date you could restore your "operations", with reasonable speed, to the level which would generate the "Business Income" amount that would have existed if no "violent incident" had occurred.

This coverage is not cut short by the expiration date of this policy.

This Additional Coverage does not serve to create coverage for any loss of "Business Income" from a "violent incident" that is excluded under the terms of any terrorism exclusion, if such exclusion has been added to this Coverage Part or Policy by endorsement.

g. Damage to Buildings from Theft, Burglary or Robbery

When Building loss or damage (except by fire or explosion) directly resulting from theft, burglary or robbery (including attempted thereat), occurs, we will pay for that part of the building, occupied by you and containing Your Business Personal Property, and to equipment therein pertaining to the service of the building but not building property or equipment, removed from designated premises, provided you are the owner of such building or equipment or are liable for such building or equipment or are liable for such damage.

Section **D.**, Deductible applies to this Additional Coverage.

h. **Sewer, Drain or Sump Backup or Overflow**

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from water that backs up or overflows from a sewer, drain or sump.

The opening (of the sewer, drain or sump) from which the water backs up or overflows must be located in:

(1) The insured building; or

(2) If you are a tenant, the building you rent, lease or occupy.

Section **D.**, Deductible applies to this Additional Coverage.

This Additional Coverage is subject to the Limitations in the Causes of Loss Form.

i. **Electronic Data**

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

(3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

(a) If the Causes Of Loss -- Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(b) If the Causes Of Loss -- Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.

(c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

(d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage, Electronic Data, is $5,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

j. Leasehold Interest and Cancelled Lease Moving Expenses

We will pay for loss of the "lease differential costs" and "cancelled lease moving expenses" you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage to property at the premises described in the Declarations caused by or resulting from a Covered Cause of Loss.

We will pay under this Additional Coverage when the loss or damage exceeds $500 and $10,000 is the most we will pay for the sum of any combination of "lease differential costs" and "cancelled lease moving expenses" arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

This is an additional amount of insurance.

This Additional Coverage does not apply if you cancel your lease for reasons other than direct physical loss or damage to property at the premises described in the Declarations.

Our payments for loss end after 90 days of the date on which the Covered Cause of Loss occurs.

k. Fine Arts

We will pay for direct physical loss or damage to your "fine arts" caused by or resulting from a Covered Cause of Loss.

Loss or damage covered under this Additional Coverage is subject to the "actual cash value" provision **a.**, and **b.** of **E.**, Loss Conditions, **7.** Valuation.

The most we will pay for loss or damage under this Additional Coverage is $25,000 in any one occurrence.

We will not pay for loss or damage to "fine arts" under this Additional Coverage caused by or resulting from:

(1) Breakage, marring, or scratching unless such loss or damage is caused by or resulting from a Covered Cause of Loss; or

(2) Any repairing, restoration or retouching of the "fine arts".

Section **D.**, Deductible applies to this Additional Coverage.

l. Refrigerated Products Loss

We will pay for consequential loss to the contents of deep freeze or refrigeration units on the described premises resulting from power or utility failure to the described premises; damage to the generating or transmission equipment; or mechanical or electrical failure of the refrigeration system, provided the refrigeration system has been maintained in proper working condition.

We will pay under this Additional Coverage when the loss or damage exceeds $500 and $25,000 is the most we will pay in any one occurrence for the part of the loss or damage that exceeds $500.

m. Fire Extinguisher and Automatic Fire Suppression System Recharge -- Blanket Insurance

The most we will pay under this Additional Coverage is $10,000 for any one of the following coverages or a combination of these coverages:

(1) Fire Extinguisher Recharge

The necessary expenses incurred to recharge a portable fire extinguisher when it has been discharged to combat a fire at the described premises. No deductible applies to this coverage.

(2) Automatic Fire Suppression Recharge

The necessary expenses incurred to recharge any automatic fire suppression system when the loss is caused by leakage or discharge.

This coverage applies only if the leakage or discharge is caused by a Covered Cause of Loss. No deductible applies to this coverage.

n. Earthquake Sprinkler Leakage

We will pay for direct physical loss or damage to Covered Property at the described premises caused by sprinkler leakage resulting from an earthquake. All earthquake shocks that occur within any 168-hour period will constitute a single earthquake. The expiration of this policy will not reduce the 168-hour period.

The most we will pay under this Additional Coverage is $10,000 during each separate 12-month policy period.

The Additional Condition, Coinsurance, shall not apply to this Additional Coverage. Section **D.**, Deductible applies to this Additional Coverage.

We will not pay under this Additional Coverage for loss or damage caused directly or indirectly by:

(1) Tidal wave or tsunami, even if attributable to an earthquake;

(2) Volcanic eruption, explosion or effusion of a volcano, even if attributable to an earthquake; or

(3) Earthquake that begins before the inception of this insurance policy.

The Earth Movement Exclusion in the applicable Causes of Loss form does not apply to this Additional Coverage.

o. Utility Services -- Direct Damage

We will pay for loss or damage to Covered Property at the premises described in the Declarations caused by or resulting from an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to a "Water Supply Service", "Communication Supply Service", or "Power Supply Service".

Coverage under this Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to electronic data. The term electronic data has the meaning described under Property Not Covered, Electronic Data.

The most we will pay for loss or damage under this Additional Coverage, Utility Services Direct Damage is $10,000 in any one occurrence.

p. Utility Services -- Time Element

We will pay for the actual loss of "Business Income" you sustain and necessary "Extra Expense" you incur due to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to a "Water Supply Service", "Communication Supply Service", or "Power Supply Service".

Coverage under this Additional Coverage does not apply to "Business Income" or "Extra Expense" related to interruption in utility service which causes loss or damage to electronic data. The term electronic data has the meaning described under Property Not Covered, Electronic Data.

The most we will pay under this Additional Coverage, Utility Services -- Time Element is $10,000 in any one occurrence.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations, other than the described premises, intended for:

(i) Similar use as the building described in the Declarations; or

(ii) Use as a warehouse.

(2) Your Business Personal Property

(a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

(i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

(ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

(iii) Business personal property that you newly acquire, located at the described premises.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

Subject to Section **D.**, Deductible, the most we will pay for loss or damage under this Extension is $2,000,000 at each building.

b. Personal Effects and Property of Others

(1) You may extend the insurance that applies to Your Business Personal Property at the premises described in the Declarations to apply to personal effects and personal property of others.

The most we will pay for loss or damage to personal effects and personal property of others under this Extension is $25,000 in any one occurrence. No deductible applies.

(2) Under this Extension, we will pay for loss or damage (except from theft or disappearance) to personal effects and personal property of others while it is away from the described premises and is being used for business purposes or during your sponsored activities when the loss or damage exceeds $250, and $2,500 is the most we will pay for loss or damage during each separate 12-month policy period.

Under this Paragraph **(2)**:

(a) The Coverage Territory condition does not apply; and

(b) Coverage applies while the personal effects and personal property of others are anywhere in the world.

But we will not pay under Paragraph **(2)** for any of the types of property described in **2.** Property Not Covered of section **A.** Coverage.

Loss or damage covered under this Extension is subject to replacement cost provisions **a., b., c., d., e.** and **f.** of Loss Condition, Valuation. The Optional Coverage, Actual Cash Value shall not apply to this Extension.

We will not pay for any loss or damage under this Extension to personal effects and personal property of others:

(1) At any residence premises; or

(2) While in transit or in the care, custody, or control of a public carrier.

Insurance under this Extension is excess of the property owner's insurance, which is primary, whether the owner can collect on it or not. Our payment for loss of or damage to personal property of others and personal effects will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to research, replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this extension does not apply to valuable papers and records which exist on electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) We will pay under this Extension to replace and restore the lost information, when the loss or damage exceeds $500 and $50,000 is the most we will pay at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-premises

You may extend the insurance provided by this Coverage Form to apply to your Covered Property (but excluding personal property of others except as provided under Coverage Extension -- Personal Effects and Property of Others) while it is away from the described premises, if it is:

(1) Temporarily at a location you do not own, lease or operate;

(2) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or

(3) At any fair, trade show or exhibition.

This Extension also applies to Covered Property while in transit including direct loss or damage caused by collision (except contact with a roadbed), derailment, or overturn of a transporting land conveyance.

The Coverage Territory condition does not apply to this Extension; coverage applies while the Covered Property is anywhere in the world. We will pay under this Extension when the loss or damage exceeds $500, and $50,000 is the most we will pay for the part of the loss or damage that exceeds $500.

e. Radio and Television Antennas (Including Satellite Dishes)

You may extend the insurance provided by this Coverage Form to apply to your radio and television antennas (including satellite dishes), including debris removal expense, caused by or resulting from any Covered Cause of Loss.

We will pay under this Extension when the loss or damage exceeds $500 and $15,000 is the most we will pay in any one occurrence for the part of the loss or damage that exceeds $500.

f. Appurtenant Buildings and Property in the Open

You may extend the insurance that applies to Building to apply to appurtenant buildings and personal property in the appurtenant buildings located on the premises of any covered building.

This Extension applies only if loss or damage is caused by a Covered Cause of Loss, and does not include any appurtenant building or property which is used in whole or in part for mercantile, manufacturing or farming purposes.

You may also extend the insurance that applies to Building to apply to park and playground equipment, gravestones, markers and freestanding structures built for use or ornamentation on, above or below the surface of land. The structures must be owned by you and located on the described premises.

We will pay under this Extension when the loss or damage exceeds $500, and $50,000 is the most we will pay in any one occurrence for the part of the loss or damage that exceeds $500.

g. Trees, Shrubs, Plants and Lawns

You may extend the insurance provided by this Coverage Form to cover your trees, shrubs, plants and lawns, including debris removal expense, at the described premises against loss by fire, lightning, theft, explosion, riot, civil commotion, vehicle damage, aircraft and vandalism. We will pay under this Extension when the loss or damage exceeds $500 and $25,000 is the most we will pay for the part of the loss or damage that exceeds $500, but not more than $2,500 on any one tree, shrub, plant or lawn.

h. Outdoor Signs

You may extend the insurance provided by this Coverage Form to apply to outdoor signs wherever located which are:

(1) Owned by you; or

(2) Owned by others and in your care, custody and control;

excluding only loss by wear and tear, latent defect, corrosion, rust or mechanical breakdown.

We will pay under this Extension when the loss or damage exceeds $500, and $15,000 is the most we will pay in any one occurrence for the part of the loss or damage that exceeds $500.

i. Non-owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to

loss or damage to trailers that you do not own, provided that:

(a) The trailer is used in your business;

(b) The trailer is in your care, custody or control at the premises described in the Declarations; and

(c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

(a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is $5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

j. Installed Locks

You may extend the insurance provided by this Coverage Form to apply to the repair, replacement or recalibration of professionally installed interior or exterior door locks if keys are stolen during a covered theft, burglary or robbery loss. The most we will pay under this Extension is $10,000. No deductible applies to this Extension.

k. Information Reward

We will pay for information which leads to a conviction for arson, theft, or vandalism in connection with a fire or explosion, theft or vandalism, or any combination of these causes of loss. The most we will pay under this Extension regardless of the number of persons involved in providing this information is the lesser of:

(1) $15,000; or

(2) The amount of loss or damage paid to you as a result of the fire, explosion, theft, vandalism, or any combination of these causes of loss in which the information leading to a conviction was provided.

No deductible applies to this Extension.

l. Dwelling Personal Property

You may extend the insurance that applies to any dwelling occupied by not more than four families and described in the Declarations Page to apply to personal property in that dwelling that is owned by you for use by an employee.

The most we will pay for loss or damage to property in the dwelling under this Extension is $2,500.

m. Maintenance Equipment

If our payment for direct physical loss or damage to Covered Property exhausts the Limits of Insurance for Covered Property, we will pay an additional amount for loss or damage to personal property owned by you that is used to maintain or service the building or structure on your described premises.

This is an additional amount of insurance and the most we will pay for loss or damage under this Extension is $10,000 in any one occurrence.

n. Automated External Defibrillator (AED)

If our payment for direct physical loss or damage to Covered Property exhausts the Limits of Insurance for Covered Property, we will pay an additional amount for loss or damage to automated external defibrillators.

This is an additional amount of insurance and the most we will pay for loss or damage under this Extension is $5,000 in any one occurrence.

o. Installation Property

You may extend the insurance that applies to your Covered Property to apply to "installation property" while at a location where you are performing installation or fabrication of property that will be utilized in your business operations.

This Extension does not apply to:

(1) Damage to the building in which "installation property" is being installed or fabricated;

(2) Missing "installation property" where the only evidence of the loss or damage is a shortage disclosed on taking inventory or other instances where there is not physical evidence to show what happened to the property; or

(3) Trees, shrubs, or plants that are to be planted at the location where you are performing installation or fabrication.

We will pay under this Extension when the loss or damage exceeds $500 and $5,000 in any one occurrence is the most we will pay for the part of the loss or damage that exceeds $500.

p. Accounts Receivable

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) All amounts due from your customers that you are unable to collect;

(2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

(3) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and

(4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from a Covered Cause of Loss to your records of accounts receivable.

We cover your records of accounts receivable while within the interior of the described premises or while in transit between described premises. If your records of accounts receivable are in imminent danger of loss or damage from a Covered Cause of Loss at your described premises, we will also cover such records while away from your described premises at a safe place or while in transit between your described premises and the safe place.

We will not pay for any loss or damage resulting from any of the following:

(1) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking, or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding;

(2) Bookkeeping, accounting or billing errors or omissions;

(3) Electronic or magnetic injury, disturbance or erasure of electronic records of accounts receivable; or

(4) Loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

The most we will pay for loss or damage under this Extension is $50,000 in any one occurrence. If you cannot accurately establish the amount of accounts receivable outstanding at the time of loss or damage, the following method will be used:

(1) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately proceeding the month in which the loss or damage occurs; and

(2) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

The following will be deducted from the total amount of accounts receivable, however that amount is established:

(1) The amount of the accounts for which there is no loss or damage;

(2) The amount of the accounts that you are able to re-establish or collect;

(3) An amount to allow for probable bad debts that you are normally unable to collect; and

(4) All unearned interest and services charges.

q. Loss Data Preparation Expenses

You may extend the insurance provided by this Coverage Form to apply to the necessary expenses that you incur at our request to prepare loss data, for purposes of assisting us in the determination of the amount of loss. This includes the cost of appraisals, taking inventories, and the preparation of other documentation required to show the extent of loss.

We will not pay for any expenses billed by or payable to insurance adjusters or attorneys or any costs as described in Paragraph **2.** Appraisal of **E.** Loss Conditions. The most we will pay under this Extension in any one occurrence is $5,000. No deductible applies to this Extension.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. EXCLUSIONS AND LIMITATIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;

2. Pollutant Clean Up and Removal;

3. Ordinance or Law coverage for the increased cost to repair or reconstruct property and the amount actually spent to demolish and clear the site of the undamaged parts of the property;

4. Indirect Loss -- Blanket Insurance;

5. Electronic Data;

6. Leasehold Interest and Cancelled Lease Moving Expenses;

7. Fine Arts;

8. Fire Extinguisher & Automatic Fire Suppression System Recharge; and

9. Utility Service -- Time Element.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance.

1. Preservation of Property;

2. Damage to Buildings from Theft, Burglary or Robbery;

3. Sewer, Drain or Sump Backup or Overflow;

4. Ordinance or Law Coverage for the actual loss in value resulting from the required demolition of the undamaged parts of the same property;

5. Refrigerated Products Loss;

6. Earthquake Sprinkler Leakage; and

7. Utility Service -- Direct Damage.

D. DEDUCTIBLE

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Additional Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example No. 1:

(This example assumes there is no Coinsurance penalty.)

Deductible:	$ 250
Limit of Insurance -- Bldg. 1:	$ 60,000
Limit of Insurance -- Bldg. 2:	$ 80,000
Loss to Bldg. 1:	$ 60,100
Loss to Bldg. 2:	$ 90,000

The amount of loss to Bldg. 1 ($60,100) is less than the sum ($60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

$60,100
- 250
$59,850 Loss Payable -- Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of $80,000.

Total amount of loss payable: $59,850 + $80,000 = $139,850

Example No. 2:

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1: (exceeds Limit of Insurance plus Deductible)	$ 70,000
Loss to Bldg. 2: (exceeds Limit of Insurance plus Deductible)	$ 90,000
Loss Payable -- Bldg. 1: (Limit of Insurance)	$ 60,000
Loss Payable -- Bldg. 2: (Limit of Insurance)	$ 80,000
Total amount of loss payable:	$ 140,000

E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

With respect to any form which is applicable to this Coverage Part and is subject to the provisions of this Coverage Form, a reference in such form to:

Actual Cash Value Condition;
Loss Condition, Actual Cash Value;
"Actual cash value" in the Valuation Loss Condition; or
Valuation Condition providing "actual cash value";

shall be construed as a reference to Optional Coverage, Actual Cash Value in this Coverage Form, except as provided in **g.** of **7.** Valuation.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.

Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

d. We will not pay you more than your financial interest in the Covered Property.

e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all the terms of this Coverage Part and:

(1) We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer of Rights of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

(3) Dwellings maintained for occupancy by a "minister" or staff member, whether paid or not, will not be considered vacant at any time.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At replacement cost (without deduction for depreciation), except as provided in **g., h., i.** and **j.** below.

b. This condition does not apply to:

(1) Contents of a residence;

(2) "Fine arts"; or

(3) "Stock," unless the Including "Stock" option is shown in the Declarations.

The value of covered property in **(1), (2)** and **(3)** above will be determined according to the "actual cash value" of such property at the time of loss or damage.

c. You may make a claim for loss or damage covered by this insurance on an "actual cash value" basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an "actual cash value" basis, you may still make a claim for the additional coverage that replacement cost coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.

d. We will not pay on a replacement cost basis for any loss or damage:

(1) Until the lost or damaged property is actually repaired or replaced; and

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenant's improvements and betterments, the following also apply:

(3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenant's improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Condition **j.** of this Coverage Form; and

(4) We will not pay for loss or damage to tenant's improvements and betterments if others pay for repairs or replacement.

e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to **f.** below:

(1) The Limit of Insurance applicable to the lost or damaged property;

(2) The cost to replace, on the same premises, the lost or damaged property with other property:

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

(3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in the Additional Coverages.

g. When a form, which is applicable to this Coverage Part and is subject to the provisions of this Coverage Form, indicates it replaces subparagraphs **a.** and **b.**, or the Actual Cash Value part, of the Valuation condition, such form shall be construed as replacing subparagraphs **a.**, **b.**, **c.**, **d.**, **e.** and **f.** of this condition, except when Optional Coverage, Actual Cash Value in this Coverage Form applies.

h. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

i. Glass at the cost of replacement with safety glazing material if required by law.

j. Tenant's Improvements and Betterments at:

(1) "Actual cash value" of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide the amount determined in **(a)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) Nothing if others pay for repairs or replacement.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in Step **(1)**;

(3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step **(2)**; and

(4) Subtract the deductible from the figure determined in Step **(3)**.

We will pay the amount determined in Step **(4)** or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):

When:

The value of the property is: $250,000

The Coinsurance percentage for it is: 80%

The Limit of Insurance for it is: $100,000

The Deductible is: $250

The amount of loss is: $40,000

Step **(1)**: $250,000 x 80% = $200,000 (the minimum amount of insurance to meet your Coinsurance requirements)

Step **(2)**: $100,000 ÷ $200,000 = .50

Step **(3)**: $40,000 x .50 = $20,000

Step **(4)**: $20,000 - $250 = $19,750

We will pay no more than $19,750. The remaining $20,250 is not covered.

Example No. 2 (Adequate Insurance):

When:

The value of the property is: $250,000

The Coinsurance percentage for it is: 80%

The Limit of Insurance for it is: $200,000

The Deductible is: $250

The amount of loss is: $40,000

The minimum amount of insurance to meet your Coinsurance requirement is $200,000 ($250,000 x 80%). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than $39,750 ($40,000 amount of loss minus the deductible of $250).

b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:

When:

The value of the property is:
Bldg. at Location No. 1: $75,000
Bldg. at Location No. 2: $100,000

Personal Property at Location No. 2: $ 75,000
$250,000

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations:

No. 1 and No. 2 is: $180,000
The Deductible is: $1,000

The amount of loss is:
Bldg. at Location No. 2: $30,000

Personal Property at Location No. 2: $20,000
$50,000

Step **(1)**: $250,000 x 90% = $225,000

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step **(2)**: $180,000 ÷ $225,000 = .80

Step **(3)**: $50,000 x .80 = $40,000

Step **(4)**: $40,000 - $1,000 = $39,000

We will pay no more than $39,000. The remaining $11,000 is not covered.

2. Mortgageholders

a. The term mortgageholder includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

(1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

With respect to a form which is applicable to this Coverage Part and is subject to the provisions of this Coverage Form, a reference in such form to:

Replacement Cost Optional Coverage;
Replacement Cost Coverage Option; or
Optional Coverage, Replacement Cost;

shall be construed as a reference to subparagraphs **a., b., c., d., e.** and **f.** of Loss Condition, Valuation in this Coverage Form.

1. Agreed Value

a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

c. The terms of this Optional Coverage apply only to loss or damage that occurs:

(1) On or after the effective date of this Optional Coverage; and

(2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. **Inflation Protection**

The Limit of Insurance for property to which this optional coverage applies shall automatically be adjusted in accordance with the current local cost index.

3. **Actual Cash Value**

Valuation of Covered Property will be determined at "actual cash value" regardless of whether that property has sustained partial or total loss or damage. The "actual cash value" of the lost or damaged property may be significantly less than its replacement cost.

When this optional coverage applies and a form, which is applicable to this Coverage Part and is subject to the provisions of this Coverage Form, indicates it modifies subparagraphs **a.** and **b.**, or the Actual Cash Value part, of the Valuation condition, such form shall be construed as modifying this optional coverage.

a. "Actual cash value" replaces replacement cost provisions **a., b., c., d., e.** and **f.** in the Loss Condition, Valuation, of this Coverage Form.

b. If a coinsurance percentage of 80% or more or a Value Reporting period symbol is shown in the Declarations, and the cost to repair or replace the damaged building property is $5,000 or less; we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the "actual cash value" even when attached to the building:

(1) Awnings of fabric construction; and

(2) Outdoor equipment;

whether permanently attached to the building structure or not.

H. DEFINITIONS

1. **"Actual Cash Value"** means loss or damage calculated as the lesser of:

a. The amount it would cost to repair or replace covered property with material of like kind and quality, subject to a deduction for deterioration, depreciation or obsolescence, however caused; or

b. The market value of covered property, based upon recent sales of comparable property, if available.

2. **"Business Income"** means the "Net Income" that the insured would have incurred or earned, plus continuing normal operating expenses incurred, including payroll. "Business Income" includes "Rental Value"; however, it does not include "Tuition Fees".

3. **"Cancelled Lease Moving Expenses"** means any moving expenses associated with a relocation which is necessitated by a cancellation of your lease resulting from direct physical loss or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

4. **"Communication Supply Service"** means property supplying communications services, including telephone, radio, microwave or television services to the described premises, such as:

   a. Communication transmission lines including optic fiber transmission lines;

   b. Coaxial cables; and

   c. Microwave radio relays except satellites.

   "Communication Supply Service" does not include overhead transmission lines.

5. **"Extra Expense"** means the excess (if any) of total cost incurred during the "period of restoration" chargeable to your operations, over and above the total cost that would have been incurred to conduct the business during the same period had no damage or destruction occurred. The salvage value of property obtained for temporary use during the "period of restoration" which remains after the resumption of normal operations shall be taken into consideration in the adjustment of any loss.

6. **"Fine Arts"** means paintings, etchings, pictures, marbles, bronzes, tapestries, rare or art glass, valuable rugs, statuary, sculptures, antique furniture, antique jewelry, bric-a-brac, porcelains, icons, torahs, and similar property of rarity, historical value, or artistic merit.

   "Fine Arts", however, does not include stained glass windows.

7. **"Fungus"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

8. **"Installation Property"** means materials, supplies and fixtures in which you have an interest and which will become a permanent part of your installation or fabrication project.

9. **"Lease Differential Costs"** means the difference between the actual monthly rent you pay at a premises you lease and to which you have relocated and the actual monthly rent you paid at the premises in which you most recently leased and from which you relocated.

10. **"Minister"** means a person:

    a. Employed by;

    b. Duly assigned to; or

    c. Duly appointed by

    you to attend to the spiritual needs of the congregation.

11. **"Net Income"** means total receipts less operating expenses.

12. **"Operations"** means:

    a. Your business activities occurring at the described premises; and

    b. The tenantability of the described premises.

13. **"Period of Restoration"** means the period of time that:

    a. Begins:

       (1) 72 hours after the time of direct physical loss or damage for "Business Income" coverage; or

       (2) Immediately after the time of direct physical loss or damage for "Extra Expense" coverage;

       caused by or resulting from any Covered Cause of Loss at the described premises; and

    b. Ends on the earlier of:

       (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

       (2) The date when business is resumed at a new permanent location.

    "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

a. Regulates the construction, use or repair, or requires the tearing down of any property; or

b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

14. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

15. **"Power Supply Service"** means the following types of property supplying electricity, steam or gas to the described premises:

a. Utility generating plants;

b. Switching stations;

c. Substations;

d. Transformers; and

e. Transmission lines.

"Power Supply Service" does not include overhead transmission lines.

16. **"Rental Value"** means":

a. "Net Income" that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

b. Continuing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

17. **"School Term"** means the annual period beginning in the fall as prescribed or as would be prescribed in the school catalog.

18. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packaging or shipping.

19. **"Suspension" means:**

a. The slowdown or cessation of your business activities; or

b. That a part or all of the described premises is rendered untenantable.

20. **"Tuition fees"** means the sum of tuition, fees and other income from students, including fees from room, board, laboratories and other similar sources.

21. **"Violent incident"** means:

a. An incident of violence that is caused by an intentional criminal act or a series of related intentional criminal acts (including, but not limited to, a bombing or a shooting) that results in one or more persons, excluding the perpetrator(s), sustaining "critical injury"; or

b. Holding of persons against their will by force or threat of force by someone who threatens to inflict "critical injury", and the circumstances cause a reasonable adult to conclude that the persons being held against their will are at risk of "critical injury".

"Critical injury", as used herein, means:

(1) Death of a person; or

(2) Injury to a person involving significant damage to one or more vital organs, or other serious physical injury, if such injury results in the probability of death if aggressive medical treatment is not provided.

"Critical injury" does not include emotional or mental injury.

Any and all related acts associated with Paragraphs **a.** and **b.**

immediately above will be considered one "violent incident" regardless of the time in which the events occur or location of events. A "violent incident" with multiple events will be said to occur at the time of the first related "violent incident".

However, "violent incident" does not mean the written or verbal threat of carrying out an event as described in Paragraphs **a.** and **b.** immediately above.

22. **"Water Supply Service"** means the following types of property supplying water to the described premises:

   a. Pumping stations; and

   b. Water mains.

COMMERCIAL PROPERTY CONDITIONS

GENERAL

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
   a. During the policy period shown in the Declarations; and
   b. Within the coverage territory.
2. The coverage territory is:

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a. The United States of America (including its territories and possessions);

b. Puerto Rico; and

c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.

2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:

   a. Someone insured by this insurance;

   b. A business firm;

      (1) Owned or controlled by you; or

      (2) That owns or controls you; or

   c. Your tenant.

This will not restrict your insurance.

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CAUSES OF LOSS -- SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G.** -- Definitions.

A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.**, Exclusions; or

2. Limited in Section **C.**, Limitations;

that follow.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

(1) Regulating the construction, use or repair of any property; or

(2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

(a) An ordinance or law that is enforced even if the property has not been damaged; or

(b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

(1) Earthquake, including any earth sinking, rising or shifting related to such event;

(2) Landslide, including any earth sinking, rising or shifting related to such event;

(3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

(4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

(5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter; or

(c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

(1) Originates away from the described premises; or

(2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away for the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow;

(3) Water that backs up or overflows from a sewer, drain or sump, except as provided in the Additional Coverages of the Building And Personal Property Coverage Form; or

(4) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

But if water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

(1) When "fungus", wet or dry rot or bacteria results from fire or lightning; or

(2) To the extent that coverage is provided in the Additional Coverage -- Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

(a) Electrical current, including arcing;

(b) Electrical charge produced or conducted by a magnetic or electromagnetic field;

(c) Pulse of electromagnetic energy; or

(d) Electromagnetic waves or microwaves.

But if fire results, we will pay for loss or damage caused by that fire.

b. Delay, loss of use or loss of market.

c. Smoke, vapor or gas from agricultural smudging or industrial operations.

d. (1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the building structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act by you, any of your partners, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

j. Rain, snow, ice or sleet to personal property in the open.

k. Collapse, including any of the following conditions of property or any part of the property:

(1) An abrupt falling down or caving in;

(2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

(3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This Exclusion, **k.**, does not apply:

(a) To the extent that coverage is provided under the Additional Coverage -- Collapse; or

(b) To collapse caused by one or more of the following:

(i) The "specified causes of loss";

(ii) Breakage of building glass;

(iii) Weight of rain that collects on a roof; or

(iv) Weight of people or personal property.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss," we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form

We will not pay for:

(1) Any loss caused by or resulting from:

(a) Damage or destruction of "finished stock"; or

(b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period of Indemnity Optional Cover-age or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your canceling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

(a) Paragraph **B.1.a.**, Ordinance Or Law;

(b) Paragraph **B.1.c.**, Governmental Action;

(c) Paragraph **B.1.d.**, Nuclear Hazard;

(d) Paragraph **B.1.e.**, Utility Services; and

(e) Paragraph **B.1.f.**, War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) **Contractual Liability**

We will not defend any claim or "suit," or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

(b) **Nuclear Hazard**

We will not defend any claim or "suit," or pay any damages, loss, expense or obligation resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property.

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under any arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. LIMITATIONS

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

(1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

(2) Business Income Coverage or Extra Expense Coverage.

e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

a. Animals, and then only if they are killed or their destruction is made necessary.

b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass; or

(2) Containers of property held for sale.

c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

(1) If the property is located on or within 1,000 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

d. Walks.

3. The special limit shown for each category, **a.** through **e.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

a. $2,500 for furs, fur garments and garments trimmed with fur.

b. $2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth $100 or less per item.

c. $2,500 for patterns, dyes, molds and forms.

d. $1,000 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

e. $1,000 for money and securities. Loss or damage by theft includes the cost of stop payment orders for checks or drafts drawn by persons on their own accounts for payment of money to you as charitable contributions. The limit for this category, **e.**, does not apply to the cost of stop payment orders.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This Limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

a. Results in discharge of any substance from an automatic fire protection system; or

b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. ADDITIONAL COVERAGE -- COLLAPSE

The coverage provided under this Additional Coverage -- Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D. 7.**

1. For the purpose of this Additional Coverage -- Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended business purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

(1) A cause of loss listed in **2.a.** or **2.b.**;

(2) One or more of the "specified causes of loss";

(3) Breakage of building glass;

(4) Weight of people or personal property; or

(5) Weight of rain that collects on a roof.

3. This **Additional Coverage -- Collapse** does **not** apply to:

a. A building or any part of a building that is in danger of falling down or caving in;

b. A part of a building that is standing, even if it has separated from another part of the building; or

c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

   a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

   b. Awnings, gutters and downspouts;

   c. Yard fixtures;

   d. Outdoor swimming pools;

   e. Fences;

   f. Piers, wharves and docks;

   g. Beach or diving platforms or appurtenances;

   h. Retaining walls; and

   i. Walks, roadways and other paved surfaces;

   if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

   (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and

   (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

   a. The collapse of personal property was caused by a Cause of Loss listed in **2.a.** through **2.d.** ;

   b. The personal property which collapses is inside a building; and

   c. The property which collapses is not of a kind listed in **4.** above, regardless of whether that kind of property is considered to be personal property or real property.

   The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage -- Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

7. This Additional Coverage -- Collapse will not increase the Limits of Insurance provided in this Coverage Part.

8. The term Covered Cause of Loss includes the Additional Coverage -- Collapse as described and limited in **D.1.** through **D.7**.

E. ADDITIONAL COVERAGE -- LIMITED COVERAGE FOR "FUNGUS", WET ROT, DRY ROT AND BACTERIA

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

   a. A "specified cause of loss" other than fire or lightning; or

   b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

   a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;

   b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and

   c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of this Limited Coverage is limited to $15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of $15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

   If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage -- Collapse.

6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage form.

   a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

   b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. ADDITIONAL COVERAGE EXTENSIONS

1. Property In Transit

See Coverage Extension, Property Off-premises or Property in Transit in the Building And Personal Property Coverage Form.

2. Water Damage, Other Liquids, Powder or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.**, does not increase the Limit of Insurance.

G. DEFINITIONS

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

With respect to loss or damage to walks by vehicles, vehicles do not include vehicles you own or which are operated in the course of your business.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

(1) The cost of filling sinkholes; or

(2) Sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss or damage to:

(1) Personal property in the open; or

(2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam. Water damage also means accidental overflow of a baptistery.

EQUIPMENT BREAKDOWN COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS -- BASIC FORM
CAUSES OF LOSS -- BROAD FORM
CAUSES OF LOSS -- SPECIAL FORM

A. The following is added as Additional Coverage to the Causes of Loss -- Basic Form, Broad Form or Special Form.

Additional Coverage -- Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;

b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;

c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;

d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or

e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

2. The following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay, the reasonable extra cost to:

(1) make temporary repairs; and

(2) expedite permanent repairs or permanent replacement.

The most we will pay for loss or expense under this coverage is $50,000.

b. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.c.(1)(b)** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is $50,000.

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c. Spoilage

(1) We will pay:

(a) for physical damage to "perishable goods" due to spoilage;

(b) for physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;

(c) any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident," less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is $100,000.

d. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost "data."

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is $50,000.

e. Service Interruption

(1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

(2) We will not pay for any loss of Business Income you sustain that results from the interruption of utility services during the first 24 hours following the "accident." However, if the "period of restoration" begins more than 24 hours after the time of the direct physical damage for Business Income, then that time period will apply instead of the 24 hours provided for in this paragraph.

(3) The most we will pay in any "one accident" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage.

f. Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense.

g. Animals

We will pay for loss or damage to animals, that are owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.

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The most we will pay for loss or damage under this coverage is $50,000.

3. **EXCLUSIONS**

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

a. The following exclusions are modified:

(1) If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion **B.2.**:

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

(2) The following is added to Exclusion **B.1.g.**:

However, if electrical "covered equipment" requires drying out because of Water as described in **g.(1)** through **g.(3)** above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

(3) If the Causes of Loss -- Special Form applies, as respects this endorsement only,

(a) the last paragraph of Exclusion **B.2.d.** is deleted and replaced with the following:

But, if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an "accident," we will pay for the loss, damage or expense caused by that "accident."

(b) the second paragraph of Exclusion **B.1.h.** is deleted and replaced with the following:

But if "fungus", wet or dry rot or bacteria results in an "accident", we will pay for the loss or damage caused by that "accident."

b. The following exclusions are added:

(1) We will not pay for loss, damage or expense caused by or resulting from:

(a) your failure to use all reasonable means to protect Covered Property from damage following an "accident";

(b) a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or

(c) any of the following:

(i) defect, programming error, programming limitation, computer virus, malicious code, loss of "data", loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or

(ii) misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

c. With respect to Service Interruption coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in **A.1.c.** above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

d. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:

(1) loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or

(2) any increase in loss resulting from an agreement between you and your customer or supplier.

e. We will not pay for any loss or damage to land (including land on which the property is located) or lawns.

f. We will not pay for any loss or damage to animals (except as specifically provided in **A.2.g.** above).

g. If the Causes of Loss -- Special Form applies, as respects to this endorsement only, the following provisions are modified under **E. Additional Coverage -- Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**:

(1) Paragraph **E.1.** is deleted and replaced by the following:

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus," wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

a. A "specified cause of loss" other than fire or lightning;

b. Flood, if the Flood Coverage Endorsement applies to the affected premises; or

c. An "accident."

(2) Under Paragraph **E.3.**, the phrase "occurrences of 'specified causes of loss' (other than fire or lightning) and 'Flood'" is replaced with "accidents."

4. DEFINITIONS

The following definitions are added as respects to coverage provided by this endorsement:

a. "Covered equipment"

(1) "Covered equipment" means Covered Property:

(a) that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or

(b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

(2) None of the following is "covered equipment":

(a) structure, foundation, cabinet, compartment or air supported structure or building;

(b) insulating or refractory material;

(c) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;

(d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;

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(e) "vehicle" or any equipment mounted on a "vehicle";

(f) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;

(g) dragline, excavation or construction equipment; or

(h) equipment manufactured by you for sale.

b. "Data" means information or instructions stored in digital code capable of being processed by machinery.

c. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

d. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

e. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

f. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

g. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

B. The Building and Personal Property Coverage Form is modified as follows.

1. The definitions stated above also apply to section **B.** of this endorsement.

2. CONDITIONS

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.

a. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

(1) your last known address; or

(2) the address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

b. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

c. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

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However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.

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LOSS PAYABLE PROVISIONS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Premises Number:		**Building Number:**		**Applicable Clause (Enter C., D., E., or F.):**	
Description Of Property: **Loss Payee Name:** **Loss Payee Address:**					
Premises Number:		**Building Number:**		**Applicable Clause (Enter C., D., E., or F.):**	
Description Of Property: **Loss Payee Name:** **Loss Payee Address:**					
Premises Number:		**Building Number:**		**Applicable Clause (Enter C., D., E., or F.):**	
Description Of Property: **Loss Payee Name:** **Loss Payee Address:**					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					

A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.

B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.

The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:

C. Loss Payable Clause

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and

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2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

D. Lender's Loss Payable Clause

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

   a. Warehouse receipts;

   b. A contract for deed;

   c. Bills of lading;

   d. Financing statements; or

   e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

   a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.

   b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

   c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

      (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

      (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

      (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

   All of the terms of this Coverage Part will then apply directly to the Loss Payee.

   d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

      (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

      (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

   At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

   a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

   b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

E. Contract Of Sale Clause

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:

   a. Adjust losses with you; and

   b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

F. Building Owner Loss Payable Clause

1. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building, in which you are a tenant.

2. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.

3. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

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LENDER'S LOSS PAYABLE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

Loss or damage, if any, under this policy, shall be paid **to the Payee named on the first page of this policy,** its successors and assigns, hereinafter referred to as "the Lender," in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.

The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended:

(a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto;

(b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed;

(c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the **named insured,** the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of the policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the **named insured,** excluding herefrom, however, any acts or omissions of the Lender while exercising active control and management of the property.

In the event of failure of the **insured** to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such nonpayment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the **insured** to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.

Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the **insured** no liability therefor exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the **insured**, whether secured or unsecured (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.

If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except for Contribution Clauses for the compliance with which the **insured** has received reduction in the rate charged or has

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received extension for the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate this Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.

This Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and then cease.

This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.

Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the **insured** under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.

All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the policy.

Approved:
Board of Fire Underwriters of the Pacific, California Bankers' Association, Committee on Insurance.

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COMMERCIAL GENERAL LIABILITY
COVERAGE PART DECLARATIONS PAGE

POLICY EFFECTIVE 12/29/2014 POLICY NO. 1294-392

NAMED INSURED SHAWNEE TABERNACLE

LIMITS OF INSURANCE

GENERAL AGGREGATE LIMIT (OTHER THAN PRODUCTS-COMPLETED OPERATIONS)	$ 3,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	$ 3,000,000
PERSONAL & ADVERTISING INJURY LIMIT	$ 1,000,000
EACH OCCURRENCE LIMIT	$ 1,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT ANY ONE PREMISES	$ 1,000,000
MEDICAL EXPENSE LIMIT ANY ONE PERSON	$ 10,000

FORM OF BUSINESS: ORGANIZATION (OTHER THAN PARTNERSHIP OR JOINT VENTURE)

LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:

PREMISES ARE THE SAME AS SHOWN ON THE COMMERCIAL
PROPERTY COVERAGE PART DECLARATIONS PAGE

001 A-Z LEARNING DAYCARE
613 POCONO BLVD EAST
(4,000 SQ FT)
MOUNT POCONO PA 18344

CLASSIFICATIONS

CLASSIFICATION	CODE NO.	PREMIUM BASIS	EXPOSURE
CHURCH ATHLETIC ACTIVITIES	49992	C	
LOSS OF LIFE	49998	C	
CHURCHES OR OTHER HOUSES OF WORSHIP	41650	A	33,633
DAY CARE CENTERS NOT OPERATED FOR PROFIT	41716	U	35
BLDG/PREMISES-INSD MAINTAINED/LESSOR'S RISK- NOT FOR PROFIT	61218	A	28,633
SEXUAL MISCONDUCT LIABILITY	49990	C	
NON-OWNED AND HIRED AUTO	49996	C	

PREMIUM BASIS: A-AREA C-TOTAL COST M-ADMISSIONS
P-PAYROLL S-GROSS SALES U-UNITS OR EACH

CONTINUED ON THE NEXT PAGE

COMMERCIAL GENERAL LIABILITY
COVERAGE PART DECLARATIONS PAGE

POLICY EFFECTIVE 12/29/2014 POLICY NO. 1294-392

NAMED INSURED SHAWNEE TABERNACLE

CLASSIFICATIONS

CLASSIFICATION	CODE NO.	PREMIUM BASIS	EXPOSURE
DIRECTORS AND OFFICERS LIABILITY - OCCURRENCE	49999	C	

PREMIUM BASIS: A-AREA C-TOTAL COST M-ADMISSIONS
P-PAYROLL S-GROSS SALES U-UNITS OR EACH

ENDORSEMENT SCHEDULES

FORM GCG0404/0409
VIOLENT INCIDENT RESPONSE COVERAGE

SCHEDULE

$ 300,000 VIOLENT INCIDENT AGGREGATE LIMIT

$ 2,500 INDIVIDUAL COUNSELING EXPENSES EACH PERSON LIMIT

$ 50,000 MEDICAL EXPENSES EACH PERSON LIMIT

$ 200,000 INDIVIDUAL EXPENSES AGGREGATE LIMIT

$ 100,000 ORGANIZATIONAL EXPENSES AGGREGATE LIMIT

FORM GCG2810/0409
LEGAL EXPENSE REIMBURSEMENT COVERAGE

SCHEDULE

$ 15,000 EACH INCIDENT LIMIT

$ 45,000 AGGREGATE LIMIT

$ 1,000 DEDUCTIBLE

CONTINUED ON THE NEXT PAGE

COMMERCIAL GENERAL LIABILITY
COVERAGE PART DECLARATIONS PAGE

POLICY EFFECTIVE 12/29/2014 POLICY NO. 1294-392

NAMED INSURED SHAWNEE TABERNACLE

ENDORSEMENT SCHEDULES

FORM GCG7410/0409
SEXUAL MISCONDUCT LIABILITY COVERAGE

SCHEDULE

$ 250,000	EACH CLAIM LIMIT
$ 500,000	AGGREGATE LIMIT
$ 10,000	MEDICAL EXPENSE LIMIT

FORM PCG7513/0799
AMENDATORY ENDORSEMENT HIRED AND NONOWNED BUSINESS
AUTO COVERAGE-EXCESS LIABILITY & MEDICAL PYMTS INS

SCHEDULE

LIABILITY:
THE LIMIT OF LIABILITY FOR ANY ONE "ACCIDENT" IS THE EACH OCCURRENCE LIMIT SHOWN IN THE DECLARATIONS.

MEDICAL PAYMENTS COVERAGE:
THE LIMIT WE WILL PAY IN THE EVENT OF ANY ONE "ACCIDENT" IS $5,000. PER "INSURED". THIS LIMIT IS EXCESS OVER ANY OTHER COLLECTIBLE AUTO MEDICAL PAYMENTS INSURANCE.

FORM PCG7543/0203
DIRECTOR AND OFFICER LIABILITY

SCHEDULE

$1,000,000	EACH CLAIM LIMIT
$1,000,000	AGGREGATE LIMIT
$ 2,500	DEDUCTIBLE

CONTINUED ON THE NEXT PAGE

COMMERCIAL GENERAL LIABILITY
COVERAGE PART DECLARATIONS PAGE

POLICY EFFECTIVE 12/29/2014 POLICY NO. 1294-392

NAMED INSURED SHAWNEE TABERNACLE

ENDORSEMENT SCHEDULES

FORM PMAN502
AMENDED DEFINITION OF DAMAGES

THIS DOCUMENT IS AN ENDORSEMENT THAT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
PROFESSIONAL LIABILITY COVERAGE
EMPLOYEE BENEFITS LIABILITY COVERAGE
COUNSELORS LIABILITY COVERAGE

THE DEFINITION OF "DAMAGES" IS REPLACED BY THE FOLLOWING:
"DAMAGES" MEAN ONLY THOSE TORT DAMAGES ALLOWED BY LAW.

RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion **q.** of Paragraph **2. Exclusions** of Section **I -- Coverage A -- Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

q. **Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

(4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

B. Exclusion **p.** of Paragraph **2. Exclusions** of Section **I -- Coverage B -- Personal And Advertising Injury Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. **Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

(4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

FUNGI OR BACTERIA EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2. Exclusions** of **Section I -- Coverage A -- Bodily Injury And Property Damage Liability**:

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

B. The following exclusion is added to Paragraph **2. Exclusions** of **Section I -- Coverage B -- Personal And Advertising Injury Liability**:

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.

b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

C. The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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VIOLENT INCIDENT RESPONSE COVERAGE

COVERAGE VR VIOLENT INCIDENT RESPONSE COVERAGE

Various provisions in this document restrict coverage. Read this document and the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this document the words "you" and "your" refer strictly to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured within Section **II** -- Who Is An Insured of Coverage **VR**. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **II** -- Who Is An Insured of Coverage **VR**.

Other words and phrases that appear in quotation marks have special meaning. Refer to both Section **V** -- Definitions of the Commercial General Liability Coverage Form, and the other definitions provided herein which are unique and specific to Coverage **VR**.

SECTION I -- COVERAGES

Coverage **VR** is merged within and is a comprised part of the Commercial General Liability Coverage Form. The coverage provided by Coverage **VR** is distinct and separate from any other coverage provided by or within Section **I** -- Coverages of the Commercial General Liability Coverage Form.

COVERAGE VR VIOLENT INCIDENT RESPONSE COVERAGE

1. Insuring Agreement

a. At your request, we will pay those Covered Expenses described in Paragraph **b.** immediately below, that result from a "violent incident" that occurs during your "sponsored activity". We will pay such Covered Expenses under Coverage **VR** only if:

(1) The "violent incident" takes place in the "coverage territory" and during the policy period; and

(2) Covered Expenses resulting from the "violent incident" are incurred and reported as soon as practicable.

However, the amount we pay for Covered Expenses is limited in Section **III** -- Limits of Insurance -- Coverage **VR**.

b. Covered Expenses

(1) Subject to the Individual Expenses Aggregate Limit under Section **III** -- Limits of Insurance, Covered Expenses for any one person include:

(a) Medical expenses up to $50,000 per person for medical expenses that would otherwise be covered under Section **I** -- Coverage **C.** Medical Payments of this policy. However, we will not pay for any funeral expenses under Coverage **VR**.

Medical expenses for a "violent incident" must be incurred and reported to us within one year of the "violent incident".

Medical payments made under Coverage **VR** are excess over any other medical coverage that is available or payable under this policy, or any other policy, issued by us; and

(b) Individual counseling expenses incurred within 6 months after the "violent incident", for any "victim", "immediate family member" of a "victim", or any "witness", up to $2,500 for each person.

(2) Subject to the Organizational Expenses Aggregate Limit under Section **III** -- Limits of Insurance, Covered Expenses include:

(a) Group counseling services to meet with "employees" or members of your organization;

(b) Additional security guard services to guard your facility against further incidents of violence; and

(c) Any independent public relations services that you hire, and related media and communication costs.

Covered Expenses must be incurred within 60 days after the "violent incident", or within 30 days before or 30 days after the first anniversary of the "violent incident".

2. Exclusions

The following Exclusions are unique to Coverage **VR**. For purposes of Coverage **VR**, none of Paragraph **2.** Exclusions of Coverage **C.** Medical Payments of the Commercial General Liability Coverage Form is incorporated by reference and shall not be relied upon in determining the exclusions applicable to Coverage **VR**.

This insurance does not apply to:

a. Biological Or Chemical Materials

The dispersal, release or application of pathogenic, poisonous, biological, or chemical materials.

b. Expected Or Intended Injury

Any expected or intended injury except:

(1) From the standpoint of the perpetrator;

(2) In self-defense; or

(3) In defense of another person who is not the perpetrator.

c. Government Services

The cost of any services provided by a governmental entity.

d. Nuclear Materials

The use, release or escape of nuclear materials that, directly or indirectly, results in a nuclear reaction, radiation, or radioactive contamination.

e. Perpetrator

Expenses incurred by any perpetrator of, or any person participating in the planning or execution of, any "violent incident".

f. Sexual Misconduct

Any expenses incurred by any person arising out of or resulting from any actual or alleged "sexual misconduct or sexual molestation".

g. War Or Civil Commotion

Any expenses arising out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; or

(4) Any act or condition incidental to an activity or event described in Paragraphs **(1)** through **(3)** immediately above.

h. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

i. Employer's Liability

"Bodily injury" to an "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business.

SECTION II -- WHO IS AN INSURED -- COVERAGE VR

For purposes of Coverage **VR**, Section **II** -- Who Is An Insured of the Commercial General Liability Coverage Form is incorporated by reference.

SECTION III -- LIMITS OF INSURANCE -- COVERAGE VR

The following Limits of Insurance provisions are unique to Coverage **VR**. For purposes of Coverage **VR**, none of Section **III** -- Limits of Insurance of the Commercial General Liability Coverage Form is incorporated by reference and shall not be relied upon in determining the limits of available coverage.

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay for the sum of all Covered Expenses that arise out of a "violent incident", regardless of the number of:

a. Insureds;

b. Claims made;

c. Persons or organizations making claims;

d. Perpetrators; or

e. Policy periods over which the "violent incident" occurs. If the "violent incident" occurs over more than one policy period, the Limits of Insurance applicable when the "violent incident" first began will apply.

2. The Violent Incident Aggregate Limit shown in the Declarations is the most we will pay for the sum of all Covered Expenses arising out of all "violent incidents".

3. Subject to Paragraph **2.** above, the Organizational Expenses Aggregate Limit shown in the Declarations is the most we will pay for the sum of all Covered Expenses described in Paragraphs **(2)(a)** through **(2)(c)** of **1.b.** Covered Expenses (Section **I**) and arising out of a "violent incident".

4. Subject to Paragraph **2.** above, the Individual Expenses Aggregate Limit shown in the Declarations is the most we will pay for the sum of all Individual Expenses described in Paragraphs **(1)(a)** and **(1)(b)** of **1.b.** Covered Expenses (Section **I**) and arising out of a "violent incident".

5. Covered Expenses will be paid in the order that they are received by us until the applicable per person limit, Individual Expenses Aggregate, Organizational Expenses Aggregate or Violent Incident Aggregate is reached, at which time payment will cease.

6. If two or more policies or Coverages issued by us apply to the same insured and these policies or Coverages also apply to the same claim or "suit", the maximum amount we will pay as "damages" under all of the policies or Coverages will not exceed the highest applicable Limit of Insurance that applies to any one of the policies or Coverages.

This Paragraph **6.** does not apply to any insurance that was purchased specifically to apply in excess of the applicable Limits of Insurance shown in the Declarations.

SECTION IV -- CONDITIONS -- COVERAGE VR

The following conditions are unique to Coverage **VR**. The remainder of Section **IV** -- Conditions of the Commercial General Liability Coverage Form is incorporated by reference. The conditions and duties provided herein will supersede those contained in Paragraphs **2.** and **4.** of Section **IV** -- Conditions of the Commercial General Liability Coverage Form.

1. Duties In The Event Of A Violent Incident

a. You must notify us as soon as practicable of any "violent incident" which may result in payment of Covered Expenses. To the extent possible, notice should include:

(1) How, when and where the "violent incident" took place;

(2) The names and addresses of any "victims", "witnesses" or other persons of interest; and

(3) The nature and location of any injury or damage arising out of the "violent incident".

b. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

2. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverage **VR**, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:

(a) That is medical payments coverage; or

(b) That provides "violent incident" or similar coverage.

(2) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in absence of Coverage **VR**; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(3) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the applicable Limits of Insurance shown in the Declarations.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

SECTION V -- DEFINITIONS -- COVERAGE VR

The following words or phrases have a specific and unique meaning to Coverage **VR**. The remainder of Section **V** -- Definitions of the Commercial General Liability Coverage Form is incorporated by reference. Certain definitions contained within Section **V** -- Definitions of the Commercial General Liability Coverage Form may be reproduced for ease of reference in this document. The definitions provided herein will supersede the corresponding definitions contained within Section **V** of the Commercial General Liability Coverage Form.

Where set forth in quotation marks in this document, the following words or phrases, whether used in the singular or plural, shall have the meanings specified below.

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

a. The act resulted in aggregate losses in excess of $5 million in the aggregate; attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

b. The act is a violent act or an act that is dangerous to human life, property or infra-structure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

2. "Critical injury" means:

a. Death of a person;

b. Injury to a person involving significant damage to one or more vital organs; or

c. Other serious physical injury, if such injury results in the probability of death if aggressive medical treatment is not provided.

"Critical injury" does not include emotional or mental injury.

3. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.

4. "Hostage situation" means a situation in which persons are held captive and restrained by someone who threatens to inflict "critical injury", and the circumstances cause a reasonable adult to conclude the captives are at risk of "critical injury".

5. "Immediate family member" means a legal spouse, parent, child, sibling, grandparent, or other family member residing in the home of the "victim". Foster parents, foster children or other persons related by marriage or legal adoption are also included in immediate family.

6. "Sponsored activity" means any activity or event, organized physically or financially by you.

7. "Victim" means any person upon whom a "critical injury" is inflicted, or who is held in a "hostage situation", arising from a "violent incident".

8. "Violent incident" means:

a. An incident of violence that is caused by an intentional criminal act or a series of related intentional criminal acts (including, but not limited to, a bombing or a shooting) that results in one or more persons, excluding the perpetrator(s), sustaining "critical injury"; or

b. A "hostage situation".

Any and all related acts associated with Paragraphs **a.** and **b.** immediately above will be considered one "violent incident" regardless of the time in which the events occur or the location of events. A "violent incident" with multiple events shall be deemed to occur at the time of the first related "violent incident".

However, "violent incident" does not mean:

a. The written or verbal threat of carrying out an event described in Paragraphs **a.** and **b.** immediately above; or

b. A "certified act of terrorism".

9. "Witness" means any person who is at the physical location of, and personally observes, a "violent incident".

GENERAL AGGREGATE LIMIT AMENDMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following is added to **2.** under **SECTION III -- LIMITS OF INSURANCE:**

2. d. Damages under COVERAGE D.

EXCLUSION -- RELIGIOUS DISAFFILIATION OR SCHISM

THIS DOCUMENT IS AN ENDORSEMENT THAT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

DIRECTOR AND OFFICER LIABILITY COVERAGE FORM

A. The following is added to paragraph **b.** under **1. Insuring Agreement**:

We will have no duty to defend any insured against any "suit" arising out of any actual or alleged "wrongful act" that results from or is related in any manner to an actual or attempted disaffiliation or schism between or among religious institutions.

B. The following is added to **2. Exclusions**:

This insurance does not apply to:

Any actual or alleged "wrongful act" that results from or is related in any manner to an actual or attempted disaffiliation or schism between or among religious institutions. This exclusion applies regardless of:

(1) When such "wrongful act" occurred or when the claim or "suit" is brought;

(2) The nature of the damages claimed or relief sought; and

(3) Whether the claim or "suit" is based upon contract or tort.

LEGAL EXPENSE REIMBURSEMENT COVERAGE

COVERAGE LR LEGAL EXPENSE REIMBURSEMENT COVERAGE

Various provisions in Coverage **LR** restrict coverage. Read this document and the entire policy carefully to determine your rights, duties and what is and is not covered.

Throughout this document, the words "you" and "your", whether appearing in quotation marks or not, refer strictly to the Named Insured shown in the Declarations and any other person or organization qualifying or designated as a Named Insured within Section **II** -- Who Is An Insured -- Coverage **LR**. The words "we", "us" and "our" refer to the Company providing this coverage.

The word "insured" is limited and means any person or organization qualifying as such under Section **II** -- Who Is An Insured -- Coverage **LR**.

Other words and phrases that appear in quotation marks have special meaning. Refer to both Section **V** -- Definitions of the Commercial General Liability Coverage Form, and the other definitions provided herein which are unique and specific to Coverage **LR**.

SECTION I -- COVERAGES -- COVERAGE LR

Coverage **LR** is merged within and is a comprised part of the Commercial General Liability Coverage Form. The coverage provided by Coverage **LR** is distinct and separate from any other coverage provided under the Commercial General Liability Coverage Form.

COVERAGE LR LEGAL EXPENSE REIMBURSEMENT COVERAGE

1. Insuring Agreement

a. We will reimburse those "legal expenses" incurred by the insured that arise out of a "suit" to which this insurance applies.

b. Our obligation is limited to paying "legal expenses" only if you or any affected insured are named as defendants in a "suit";

provided that:

(1) The "suit" results from a "reimbursable incident" that occurs in the "coverage territory" and during the policy period; and

(2) The "legal expenses" are incurred and reported within one year of the date of the "reimbursable incident".

2. Exclusions

a. We will not reimburse any "legal expenses", regardless of when incurred:

(1) If the "legal expenses" are paid or are obligated to be paid under any other contract of insurance.

This provision applies whether or not the defense, being undertaken under a contract of insurance, is subject to a Reservation of Rights or a Non-waiver Agreement or is being done gratuitously.

(2) If the "legal expenses" are paid or are obligated to be paid by any person, association of persons, or entity, including but not limited to any legal services plan or benefit.

b. We will not reimburse any "legal expenses" arising out of or attributable to:

(1) Any "suit" or dispute between any insured and us.

(2) Any dispute between insureds.

(3) "Sexual misconduct or molestation" or "sexual harassment".

(4) The rendering of, or failure to render, any professional services.

SECTION II -- WHO IS AN INSURED -- COVERAGE LR

Section **II** -- Who Is An Insured of the Commercial General Liability Coverage Form is incorporated by reference.

SECTION III -- LIMITS OF INSURANCE AND DEDUCTIBLE -- COVERAGE LR

The following Limits of Insurance provisions are unique to Coverage **LR**. For purposes of this Coverage, none of Section **III** -- Limits Of Insurance of the Commercial General Liability Coverage Form is incorporated by reference and shall not be relied upon in determining the limits of available coverage.

1. The Limits of Insurance shown in the Declarations for Coverage **LR** and the rules below fix the most we will pay regardless of the number of:

   a. Insureds;

   b. "Suits" brought;

   c. Persons or organizations bringing "suits" ; or

   d. Policies involved.

2. The Legal Expense Reimbursement Aggregate Limit is the most we will pay as reimbursement of the sum of all "legal expenses" incurred as a result of all "suits" brought or filed against an insured within the policy period, regardless of when such "suits" are actually concluded.

3. Subject to Paragraph **2.** above, the Legal Expense Reimbursement Each Incident Limit is the most we will pay as reimbursement of the sum of all "legal expenses" incurred as a result of all "suits" brought or filed against any insured for any one "reimbursable incident".

4. Deductible

Our obligation for the reimbursement of "legal expenses", as described in Paragraphs **1.**, **2.** and **3.** immediately above, applies only to the amount of "legal expenses" in excess of the applicable deductible for each "suit", shown in the Declarations. In the event no deductible amount is shown in the Declarations, the deductible is $1,000 for each "suit". The limits of insurance shall not be reduced by the amount of this deductible.

5. No person shall be entitled to receive duplicate payments for the insurance granted in Coverage **LR** and any other Coverage form or endorsement issued by us or any other organization.

The Limits of Insurance of Coverage **LR** apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV -- CONDITIONS -- COVERAGE LR

The following conditions are unique to Coverage **LR**. The remainder of Section **IV** -- Conditions of the Commercial General Liability Coverage Form is incorporated by reference. The conditions and duties described in Paragraph **2.** herein will supersede those contained in Paragraph **2.** of Section **IV** -- Conditions of the Commercial General Liability Coverage Form.

1. Duty To Investigate Or Defend

We have no duty or right to investigate or defend any "suit" brought against you to which this coverage applies.

2. Duties In The Event Of A Reimbursable Incident Or Suit

   a. You must see to it that we are notified as soon as practicable of your becoming aware of any "reimbursable incident" that may result in a "suit" to which this coverage applies. To the extent possible, notice should include:

      (1) The nature of the "reimbursable incident"; and

      (2) How, when and where the "reimbursable incident" took place.

   b. If "suit" is brought against the insured, you must:

      (1) Notify us as soon as practicable of the "suit" brought against the insured and provide us with all documents related to the incident.

      (2) As soon as practicable, provide us written notice of the "suit". This notice should include the nature of the "suit" and how, when and where the "reimbursable incident" took place.

(3) Provide us the name, address and other information sufficient to identify the attorney or firm who will be defending you in the "suit".

3. Attorney Selection

We have no duty or right to choose an attorney for you. You have the duty and right to choose your own attorney. However, your attorney must be licensed to provide legal services. We have no duties, rights or responsibilities regarding the attorney you choose.

4. Two or More Policies

If two or more policies issued by us include Coverage **LR** that applies to the same insured and these policies also apply to the same "defensible incident", the maximum amount we will pay as reimbursement of "legal expenses" under all the policies will not exceed the highest applicable Limit of Insurance for Coverage **LR** that applies to any one of the policies.

SECTION V -- DEFINITIONS -- COVERAGE LR

The following words or phrases have a specific and unique meaning to Coverage **LR**. The remainder of Section **V** -- Definitions of the Commercial General Liability Coverage Form is incorporated by reference. Certain definitions contained within Section **V** -- Definitions of the Commercial General Liability Coverage Form may be reproduced for ease of reference in this document. The definitions provided herein will supersede the corresponding definitions contained in Section **V** -- Definitions of the Commercial General Liability Coverage Form.

1. "Alternative dispute resolution" includes, but is not limited to: negotiation, mediation, arbitration, or summary jury trials.

2. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.

3. "Damages" means compensatory tort or punitive damages allowed by law.

4. "Legal expenses" means and is limited to reasonable and necessary attorney fees, expenses, court costs and the cost of appeal bonds that are directly related to defending "suits" against the insured or any affected insured. "Legal expenses" do not include the amounts of any "damages". "Legal expenses" do not include any retainer fees.

5. "Reimbursable incident" means a single or series of interrelated continuing actual or alleged: acts, errors or omissions of the insured; all of which together constitute a single reimbursable incident. However, "reimbursable incident" does not include any deliberate acts, errors or omissions for purposes of causing a "suit" to be initiated or filed against you.

6. "Suit" means any:

   a. Proceeding in a civil court to recover "damages" or other equitable relief to which this coverage applies;

   b. Proceeding any insured must attend as a result of an administrative agency action; or

   c. "Alternative dispute resolution".

   All "suits", counterclaims, countersuits, amended complaints or similar proceedings related to the same "reimbursable incident" shall be considered one "suit".

SEXUAL MISCONDUCT LIABILITY COVERAGE

COVERAGE SL SEXUAL MISCONDUCT LIABILITY AND COVERAGE SP MEDICAL PAYMENTS

Various provisions in Coverages **SL** and **SP** restrict coverage. Read this document and the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this document the words "you" and "your" refer strictly to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured within Section **II** -- Who Is An Insured -- Coverages **SL** and **SP**. The words "we", "us" and "our" refer to the company providing this Coverage.

The word "insured" is limited and means any person or organization qualifying as such under Section **II** -- Who Is An Insured -- Coverages **SL** and **SP**.

Other words and phrases that appear in quotation marks have special meaning. Refer to both Section **V** -- Definitions of the Commercial General Liability Coverage Form, and the other definitions provided herein which are unique and specific to Coverages **SL** and **SP**.

SECTION I -- COVERAGES

Coverages **SL** and **SP** are merged within and are a comprised part of the Commercial General Liability Coverage Form. The coverages provided by Coverages **SL** and **SP** are distinct and separate from any other coverage provided by or within Section **I** -- Coverages of the Commercial General Liability Coverage Form.

COVERAGE SL SEXUAL MISCONDUCT LIABILITY

1. INSURING AGREEMENT

a. We will pay those sums that the insured becomes legally obligated to pay as "damages" because of "injury" arising out of or resulting from a "sexual misconduct occurrence" to which Coverage **SL** applies. We will have the right and duty to defend the insured against any "suit" seeking those "damages". However, we will have no duty to defend the insured against any "suit" seeking "damages" to which Coverage **SL** does not apply. We may, at our discretion, investigate any "sexual misconduct occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for "damages" is limited as described in Section **III** -- Limits Of Insurance -- Coverages **SL** and **SP**; and

(2) Our duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage **SL**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **3.** Supplementary Payments.

b. This Coverage applies to "injury" only if:

(1) The "injury" is caused by a "sexual misconduct occurrence" that takes place in the "coverage territory"; and

(2) The first act of a "sexual misconduct occurrence" first commences during the policy period.

c. Coverage **SL** does not apply to claims made or "suits" brought against any person who actually or personally participates in, directs or knowingly allows to take place any act of "sexual misconduct or sexual molestation". We shall have no obligation or duty to investigate, defend, settle or pay judgments on behalf of any such person as described in this paragraph.

2. EXCLUSIONS

The insurance granted by this Coverage shall not apply to:

a. Participation In Sexual Misconduct Or Sexual Molestation

Any person who actually or personally participated in, directed, or knowingly allowed any act of "sexual misconduct or sexual molestation". We shall have no duty to investigate, defend or settle any claim or "suit" brought against any such person as described in this paragraph.

b. Criminal Or Penal Regulation Or Statute

The cost of defense of, or the cost of paying any fines for, any person resulting from any actual or alleged violation of any criminal or penal regulation or statute.

c. Breach Of Contract

Any claim arising out of a breach of contract.

d. Contractual Liability

Any claim for which the insured is obligated to pay "damages" because of the assumption of the tort liability of another party in a contract or agreement. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

e. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

f. Employer's Liability

Any "injury" to:

(1) An "employee" of the insured arising out of or in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share "damages" with or repay someone else who must pay "damages" because of the "injury".

g. Exemplary Or Punitive Damages

Any exemplary or punitive damages, multiplied damages, fines or penalties.

h. Ecclesiastical Liability

Any claim or "suit" based upon, attributable to, or arising out of any ecclesiastical law, statute, canon, rule, or regulation.

i. Acts Occurring Between Family Members

Any claim arising out of "sexual misconduct or sexual molestation" occurring between "family members".

3. SUPPLEMENTARY PAYMENTS

The following supplementary payments are unique to Coverage **SL**. For purposes of Coverage **SL**, none of Section **I** -- Supplementary Payments -- Coverages **A** and **B** of the Commercial General Liability Coverage Form is incorporated by reference and shall not be relied upon in determining the supplementary payments made under Coverage **SL**.

We will pay, with respect to any claim we investigate or settle or any "suit" against an insured we defend:

a. All expenses we incur.

b. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $500 a day because of time off from work.

c. All court costs taxed against the insured in a "suit". However, these payments do not include plaintiff attorneys' fees or plaintiff attorneys' expenses taxed against the insured.

d. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance under Coverage **SL**.

COVERAGE SP MEDICAL PAYMENTS

1. INSURING AGREEMENT

a. We will pay medical and counseling expenses because of "injury" arising out of a "sexual misconduct occurrence" to which this insurance applies provided that:

(1) The "injury" is caused by a "sexual misconduct occurrence" that "first commences" in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within one year from the date of "injury"; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will pay reasonable expenses for necessary professional services for treatment of "injury" resulting from a "sexual misconduct occurrence", regardless of fault. These payments will not exceed the Sexual Misconduct Medical Payments limit of insurance.

The payment of such expenses is not an admission of liability under this policy.

2. EXCLUSIONS

We will not pay medical and counseling expenses for "injury" which is excluded under Paragraph **2.** Exclusions of Coverage SL Sexual Misconduct Liability.

SECTION II -- WHO IS AN INSURED -- COVERAGES SL AND SP

The following provisions are unique to Coverages **SL** and **SP**. For purposes of Coverages **SL** and **SP**, Paragraph **1.** of Section **II** -- Who Is An Insured of the Commercial General Liability Coverage Form is incorporated by reference. None of the remaining provisions of Section **II** -- Who Is An Insured of the Commercial General Liability Coverage Form apply to Coverages **SL** and **SP** and shall not be relied upon in determining who is an insured under Coverages **SL** and **SP**.

For purposes unique to Coverages **SL** and **SP**:

1. Your "volunteer workers" only while performing duties related to the conduct of your business or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company) are also an insured, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for "sexual misconduct or sexual molestation" that results in "injury":

   a. To you, to your partners or members of a joint venture (if you are a partnership or joint venture), to your members of a limited liability company (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or while performing duties related to the conduct of your business;

   b. To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph **1.a.** above; or

   c. For which there is any obligation to share "damages" with or repay someone else who must pay "damages" because of the "injury" described in Paragraphs **1.a.** or **1.b.** above.

2. Regardless of any provision to the contrary, the following is not an insured:

   a. Any person who actually or personally participated in, directed, or knowingly allowed any act of "sexual misconduct or sexual molestation". Furthermore, we shall have no duty to investigate, defend or settle any claim or "suit" brought against any such person as described in this paragraph.

   b. Any person or organization with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III -- LIMITS OF INSURANCE -- COVERAGES SL AND SP

The following Limits of Insurance provisions are unique to Coverages **SL** and **SP**. For purposes of Coverages **SL** and **SP**, none of Section **III** --

Limits Of Insurance of the Commercial General Liability Coverage Form is incorporated by reference and shall not be relied upon in determining the limits of available coverage under Coverages **SL** and **SP**.

1. Our obligation to pay "damages" for any one "sexual misconduct occurrence" is the Sexual Misconduct Liability Each Claim Limit shown in the Declarations. All claims for "damages" because of "injury" arising out of a "sexual misconduct occurrence" including "damages" claimed by all persons or organizations for care, loss of services, or death resulting at any time from the "sexual misconduct occurrence", shall be considered one "sexual misconduct occurrence".

   Our total obligation for all "damages" covered by Coverage **SL** is the Sexual Misconduct Liability Aggregate Limit shown in the Declarations regardless of the number of:

   a. Insureds;

   b. Claims made or "suits" brought;

   c. Persons or organizations making claims or bringing "suits";

   d. Policies involved; or

   e. "Sexual misconduct occurrences".

2. The Sexual Misconduct Medical Expense Limit shown in the Declarations is the most we will pay for all medical and counseling expenses because of "injury" arising out of a "sexual misconduct occurrence", regardless of:

   a. The number of claims, claimants, persons acted upon, or injured persons;

   b. The number of incidents or locations involved;

   c. The period of time during which the acts of "sexual misconduct or sexual molestation" took place; or

   d. When "damages" are sustained.

   The Sexual Misconduct Medical Expense Limit available is the Sexual Misconduct Medical Expense Limit in force at the time the first act of "sexual misconduct or sexual molestation" first commences.

3. When we have used up the limits described herein by paying settlements or judgments, we will have no further duty to defend any claims or "suits", whether pending at that time or started afterwards.

4. If two or more policies or Coverages issued by us apply to the same insured and these policies or Coverages also apply to the same claim or "suit", the maximum amount we will pay as "damages" under all of the policies or Coverages will not exceed the highest applicable Limit of Insurance that applies to any one of the policies or Coverages.

   This condition does not apply to any insurance that was purchased specifically to apply in excess of the applicable Limits of Insurance shown in the Declarations.

SECTION IV -- CONDITIONS -- COVERAGE SL

The following conditions are unique to Coverage **SL**. The remainder of Section **IV** -- Conditions of the Commercial General Liability Coverage Form is incorporated by reference. The conditions and duties provided herein will supersede those contained in Paragraphs **2.** and **4.** of Section **IV** -- Conditions of the Commercial General Liability Coverage Form.

1. **Duties In The Event Of An Occurrence, Claim Or Suit**

   Consistent with the Insuring Agreement contained within Coverage **SL**:

   a. **Occurrence Or Incident Reporting**

      You must see to it that we are notified, by the means and methods determined by us, within thirty (30) days of the date you become aware of any "sexual misconduct occurrence", incident or circumstance which may reasonably be expected to result in a claim. To the extent possible, notice should include:

      (1) How, when and where the "sexual misconduct occurrence", incident or circumstance took place; and

      (2) The names and addresses of any injured persons and witnesses.

   b. **Claim Reporting**

      If a claim or "suit" is received by any insured, you must:

      (1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Promptly notify us.

You must see to it that we receive prompt written notice of the claim or "suit".

c. **Other Duties**

You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation, settlement or defense of the "sexual misconduct occurrence", claim or "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of "injury" or "damages" to which this insurance may also apply.

d. **No Voluntary Payments**

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

2. **Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverage **SL**, our obligations are limited as follows:

a. **Primary Insurance**

This insurance is primary except when stated to apply in excess of, or contingent upon the absence of other insurance and **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. **Excess Insurance**

When this insurance is excess, we will have no duty to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that was not bought specifically to apply in excess of the applicable Limits of Liability shown in the Declarations.

c. **Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or until none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

SECTION V -- DEFINITIONS -- COVERAGES SL AND SP

The following words or phrases have a specific and unique meaning to Coverages **SL** and **SP**. The remainder of Section **V** -- Definitions of the Commercial General Liability Coverage Form is incorporated by reference. Certain definitions contained within Section **V** -- Definitions of the Commercial General Liability Coverage Form may be reproduced for ease of reference in this document. The definitions provided herein will supersede the corresponding definitions contained in Section **V** of the Commercial General Liability Coverage Form.

1. "Coverage territory" means anywhere in the world provided that the claim is made, and any "suit" that may arise therefrom is filed, within the United States of America (including

its territories and possessions), Puerto Rico or Canada.

2. "Damages" mean only those compensatory tort damages allowed by law.

3. "Family members" means persons who are:

   a. Legally married to each other; or

   b. Related by blood or legal adoption, limited to the following kindred: parents, children, siblings, grandparents and grandchildren.

   "Family members" includes wards or foster children of persons described in **a.** or **b.** above.

4. "Injury" means "bodily injury", sickness or disease, including death resulting from any of these at any time, mental anguish or emotional distress.

5. "Sexual harassment" means unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature when such conduct:

   a. Is linked implicitly or explicitly with a decision affecting a term or condition of any individual's employment;

   b. Interferes with any individual's job performance;

   c. Creates an intimidating, hostile or offensive working environment for any individual; or

   d. Arises out of or is related to an unlawful employment practice as codified at 42 U.S.C.A. ❋2000e-2(a), or any pendant State, municipal or local code, regulation or ordinance.

6. "Sexual misconduct occurrence" means a single act, or multiple, continuous, repeated, sporadic or related acts of "sexual misconduct or sexual molestation" by one person, or two or more persons acting together, or any breach of duty causing or contributing to such acts, or any defamation or slander arising out of or resulting from any actual or alleged act of "sexual misconduct or sexual molestation".

   In determining our liability under Coverage **SL**, all acts of "sexual misconduct or sexual molestation" by one person, or two or more persons acting together, or any breach of duty causing or contributing to such acts, or any defamation or slander arising out of or resulting from any actual or alleged act of "sexual misconduct or sexual molestation" will be deemed and construed as one "sexual misconduct occurrence" and one claim, regardless of:

   a. The number of claims, claimants, persons acted upon, or injured persons;

   b. The number of incidents or locations involved;

   c. The period of time during which the acts of "sexual misconduct or sexual molestation" took place; or

   d. When "damages" are sustained.

7. "Sexual misconduct or sexual molestation" means any activity which is sexual in nature (whether permitted or not permitted); and includes, but is not limited to: sexual assault, sexual battery, sexual relations, sexual acts, sexual activity, sexual handling, sexual massage, sexual exploitation, sexual exhibition, sexual stimulation, fondling, intimacy, exposure of sexual organs, lewd or lascivious behavior or indecent exposure, fornication, unauthorized touching, or the photographic, video or other reproduction of sexual activity.

   However, "sexual misconduct or sexual molestation" does not include "sexual harassment".

8. "Suit" means a civil proceeding in which "damages" because of "sexual misconduct or sexual molestation" to which Coverage **SL** applies are alleged. "Suit" includes:

   a. An arbitration proceeding in which such "damages" are claimed and to which the insured must submit or does submit with our consent; or

   b. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

FAITHGUARD

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer strictly to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **II** -- Who Is An Insured.

The word "damages", whether appearing in quotation marks or not, shall have the special meaning described in Section **V** -- Definitions.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **V** -- Definitions.

SECTION I -- COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as "damages" because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those "damages". However, we will have no duty to defend the insured against any "suit" seeking "damages" for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for "damages" is limited as described in Section **III** -- Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments -- Coverages **A** and **B.**

b. This insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph **1.** of Section **II** -- Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **1.** of Section **II** -- Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **II** -- Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for "damages" because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. "Damages" because of "bodily injury" include "damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

f. "Damages" because of "bodily injury" includes incidental medical malpractice "damages" sustained because of the administration of or failure to administer first aid including the use of automated external defibrillators.

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay "damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "damages":

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "damages" because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "damages" to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for "damages" because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to or hired by any insured. Use includes operation and "loading or unloading". Hired includes any contract to furnish transportation of pupils to and from school.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Any length; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(b) the operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire, explosion, smoke or leaks from automatic fire protective systems) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section **III** -- Limits Of Insurance.

Paragraph **(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **(3)**, **(4)**, **(5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **(6)** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

"Damages" claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

"Damages" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Distribution Of Material In Violation Of Statutes

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

r. Additional Exclusions

"Bodily injury" or "property damage" excluded under Additional Exclusions -- Coverages **A**, **B** and **C**.

Exclusions **c.** through **n.** do not apply to damage to premises while rented to you or temporarily occupied by you with permission of the owner, when such damage is caused by fire, explosion, smoke or leaks from automatic fire protective systems. A separate limit of insurance applies to this coverage as described in Section **III** -- Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as "damages" because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those "damages". However, we will have no duty to defend the insured against any "suit" seeking "damages" for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for "damages" is limited as described in Section **III** -- Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments -- Coverages **A** and **B.**

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods -- Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of websites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **a.**, **b.** and **c.** of "personal and advertising injury" under the Definition Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting. This exclusion does not apply to publishing, broadcasting or telecasting that is incidental to your business.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom, blog or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or "suit" by or on behalf of a governmental authority for "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Distribution Of Material In Violation Of Statutes

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

q. Workers' Compensation And Similar Laws

"Personal and advertising injury" arising out of any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

r. Employer's Liability

"Personal and advertising injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

s. Additional Exclusions

"Personal and advertising injury" excluded under Additional Exclusions -- Coverages **A**, **B** and **C**.

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(a) The accident takes place in the "coverage territory" and during the policy period;

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

c. When the "bodily injury" is caused by an accident that results from practicing, instructing or participating in any physical exercises or games, sports or athletic contests, whether on a formal or informal basis, we will pay medical expenses on an excess payment basis. Our obligations for payment under excess insurance are explained in Paragraph **4.b.(1)(c)** Other Insurance under Section **IV** -- Commercial General Liability Conditions.

d. When a covered "bodily injury" to a claimant results in loss of life within one year from the date of the accident, at your option, we will pay up to $10,000 per person. We will pay this amount in addition to any payments under Paragraphs **a.**, **b.** and **c.** of this Insuring Agreement.

Our obligation for payment shall be to:

(1) The parent or guardian if the deceased was a minor;

(2) The surviving spouse, if any; or

(3) A person authorized by law, or legally entitled, to receive such payment.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers" and any persons designated as an insured under Paragraph **4.** of Section **II** -- Who Is An Insured.

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies. However, this exclusion does not apply to a person injured while engaged in a church sponsored activity authorized by you.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

f. Coverage A Exclusions

Excluded under Coverage **A**.

g. Students

To any student, with respect to the operation of any college or school (except Sunday school) by you or on your behalf.

h. Day Nursery

To any person being cared for at any Day Nursery owned and operated by you or on your behalf (except Day Nurseries for the care of children while their parents are attending church activities including parent day out or equivalent programs which are conducted for one day or less per week).

i. Additional Exclusions

Excluded under Additional Exclusions -- Coverages **A**, **B** and **C**.

ADDITIONAL EXCLUSIONS -- COVERAGES A, B AND C

This insurance does not apply to:

1. Employment Related Practices

Any liability arising out of any "employment related practices".

2. Hospital Liability

Acts, errors or omissions by any insured as proprietor, superintendent, or "executive officer" of any hospital, sanitarium, medical clinic with bed and board facilities, laboratory, or to acts or omissions arising out of any other similar medical trade, business, employment or profession.

3. Counseling Activities

Any "bodily injury", "property damage", "personal and advertising injury" or mental or emotional pain or anguish, sustained by any person arising out of, or resulting from:

a. Professional activities conducted by a psychiatrist or psychologist;

b. Professional activities conducted by a licensed mental health care practitioner or licensed counseling practitioner. However, if your "minister" is a licensed mental health care practitioner or licensed counseling practitioner, this exclusion does not apply to such professional activities that attend to the spiritual needs of a person if conducted for you or on your behalf; or

c. Counseling or guidance of a person in exchange for a payment or fee.

4. Professional Board

Acts, errors or omissions by any insured as a member of a formal accreditation or similar professional board of directors, of any educational, medical, professional or religious institution.

5. Violation Of Any Statute Or Regulation

Any liability arising out of the willful or intentional violation of any statute or regulation including but not limited to the fines and penalties assessed by a court or regulatory authority.

6. Misconduct, Molestation Or Harassment

Any "bodily injury", "personal and advertising injury", mental or emotional pain or anguish, or any defamation or slander, sustained by any person arising out of or resulting from any actual or alleged act of "sexual misconduct or sexual molestation" or "sexual harassment" of any kind. We have no right or duty to investigate, settle, defend or pay any claim or "suit" asserting any act of "sexual misconduct or sexual molestation", "sexual harassment" or any breach of duty contributing to or arising from such act.

7. Health Services

"Bodily injury", "property damage" or "personal and advertising injury" caused by:

a. The rendering or failure to render:

(1) Medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction or the related furnishing of food or beverages;

(2) Any health or therapeutic service, treatment, advice or instruction; or

(3) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or

c. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures;

if any college or school is operated by you or on your behalf, and that college or school owns or operates an infirmary with facilities for lodging and treatment or a public clinic or hospital.

This exclusion applies to persons whose professions involve the activities described in Paragraphs **a.**, **b.** and **c.** above. However, this exclusion does not apply to your school nurse while acting within the scope of their duties as directed by you.

8. **Corporal Punishment**

"Bodily injury", "property damage" or "personal and advertising injury" to any student arising out of any corporal punishment administered by or at the direction of any insured.

SUPPLEMENTARY PAYMENTS -- COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

a. All expenses we incur.

b. Up to $1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $500 a day because of time off from work.

e. All court costs taxed against the insured in the "suit". However, these payments do not include plaintiff attorneys' fees or plaintiff attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

h. Up to $1,000 for "property damage" to personal property of others while in the temporary care, custody or control of an insured and caused by any person participating in your organized activities. For purposes of this supplementary payment, "property damage" does not include disappearance, wrongful abstraction or loss of use. This supplementary payment shall only be paid on or for the account of the owner and only when other coverage or insurance is unavailable.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

a. The "suit" against the indemnitee seeks "damages" for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

b. This insurance applies to such liability assumed by the insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I -- Coverage A -- Bodily Injury And Property Damage Liability**, such payments will not be deemed to be "damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

ADDITIONAL SUPPLEMENTARY PAYMENTS

Product Recall Expenses

We will reimburse you for "product recall expenses" that you incur because of a "product recall" of "your product". The most we will pay for all "product recall expenses" initiated during the policy period is $25,000. The policy period under which "product recall expenses" will be paid shall be determined by the policy that is in effect when the "product recall" was first initiated.

A complete accounting of "product recall expenses" must be provided upon our request, including receipts for all expenses that you incur. We will reimburse "product recall expenses" only if the expenses are incurred and reported to us within one year of the date the "product recall" was initiated.

Our obligation under this Additional Supplementary Payment shall only apply if the "product recall expenses" are initiated in the "coverage territory" during the policy period because:

1. You determine that the "product recall" is necessary; or

2. An authorized government entity has ordered you to conduct a "product recall".

However, this Additional Supplementary Payment does not apply to "product recall expenses" arising out of the product expiration or shelf life, a defect known by you prior to the time "your product" leaves your control or possession, or the defense of a claim or "suit" against you for liability arising out of a "product recall".

SECTION II -- WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.